Daily Report

Latin America

FBIS-LAT-93-241
Friday
17 December 1993

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FBIS-LAT-93-241 *17 December 1993*

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EC Maintains Position in 'Banana War'

PA1512155193 Mexico City NOTIMEX in Spanish 1902 GMT 14 Dec 93

[Report by Gerardo Arreola]

[Text] Geneva, 14 Dec (NOTIMEX)—Today, the EC maintained its position on the "banana war" with Latin American producers and initiated a new waiting period within the crisis.

An unofficial EC reply to Latin American producers ruled out a solution and extended the conflict until at least next Friday, GATT sources told NOTIMEX. They added that a GATT panel must issue an opinion on the crisis this week. GATT Director General Peter Sutherland will meet on Wednesday with members of the Latin American bloc to review the situation, the sources added.

The "banana war" started this year after the EC decided to limit imports of Latin American bananas to protect the production of former European colonies in Asia, Africa, and the Caribbean.

Ecuadoran representative to GATT Alfredo Ainoargote said that the "offer (European) is even worse than the previous one. We are the world's top banana exporter but an EC evaluation list puts us in third place," he pointed out.

Latin American banana producers proposed solving the conflict through annual progressive increases in European import quotas. Costa Rican Commerce Minister Roberto Rojas said that "should we fail to settle the conflict before 15 December, we could continue negotiating but it would be much more difficult to reach a solution."

In addition to its conflict with the EC, the Latin American bloc faces an internal crisis because of Colombia's apparent plan to negotiate access to the European market on its own. No member of the Colombian delegation to GATT could be reached on the evening of 14 December for comment.

The "banana war," which was sparked by Latin American complaints against the EC restriction quotas, reached the GATT panel, which has not yet issued an opinion in this regard. The dispute "is subject to bilateral negotiation, and thus, we can say nothing at this time," GATT Director General Peter Sutherland said on 13 December.

Latin American banana exporters held a consultation meeting this morning after learning about an agreement between the United States and the EC that unfroze the [Uruguay] round of talks and will allow a conclusion within the scheduled deadline. Latin Americans proposed increasing the basic quota of 2 million tons through 100,000-ton increases in both 1994 and 1995. The Latin American countries' complaints against the quota regime are based on estimates that point to a drastic decrease in currency revenues in those nations due to lower banana exports.

Cuba

Castro Attends Science-Technology Forum

FL1612225493 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Dec 93

[Report by Diosdado Maso from the Convention Center in Havana]

[Text] The Science-Technology Forum continues studying the matters handled by State Group No. 5, which are services to the population. The group has brought to the forum more than 36,000 solutions, among these 7,500 dealing with solutions to domestic appliances. Work being done to repair refrigerators and washing machines are topics that catch the attention of all Cuban families. Havana City Delegate Juan Manuel Trujillo said:

[Begin Trujillo recording] We now have a shop that handles some of these repairs. As we said earlier, we are acquiring experience in this field and we already know what we must do to repair the compressor. When we began this work we knew practically nothing about this. In the past we could not repair it. Today we have developed a technique, which we could say is a national technique. It is a technique developed by several comrades. We have studied the problems we are encountering and discussed ways to overcome them. We are working and we have made progress. [end recording]

I said earlier that this event expresses the Revolution's vitality, independent of the special period, in the search for solutions. This is why commercial refrigeration and cold storage systems were also discussed. A Santiago de Cuba delegate gave his opinion on this topic, and this prompted Commander in Chief Fidel Castro's intervention.

[Begin recording] [Unidentified speaker] It has been said that freon 22 is the only solution. Freon 22 in the only solution. We have seen that many of these companies doing business with Cuba, supplying hotels and others, promote the (?Frontdosis). One of the problems I have been able to see is that ecology groups around the world strongly attack those companies that use (?Frontdosis). The use of (?Frontdosis) is genocidal. As the commander in chief has said, every single molecule of this product destroys 2,000 molecules of ozone....

[Castro interrupts] Ten billion molecules.

[Unidentified speaker] Just imagine that.

[Castro] They have reached an agreement, they have realized this is true. This worries them because it also affects all the countries, the Third World countries as well as their own.

You have said something very interesting. You have said that substituting freon 22 includes replacing all the equipment.

[Unidentified speaker] All the equipment. We are working....

[Castro interrupts] This means that you are working with another coolant?

[Unidentified speaker] That is correct. It is a....

[Castro interrupts] Are they making this coolant?

[Unidentified speaker] It is a coolant without (?clorine).

[Castro] What about freon-22? You mentioned it a little while ago.

[Unidentified speaker] Only five percent of the freon-22 affects the ozone layer. Only five percent. [end recording]

The topic of domestic appliance repairs is the first issue broached on the third day of debates of the Eighth Science and Technology Forum being held at the Convention Center and in which our commander in chief has been actively participating.

Castro Offers Information on JFK Assassination

PA1712034393 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Dec 93

[Text] Speaking to the French weekly PARIS MATCH, President Fidel Castro offered to release the Cuban security services' files on U.S. President John F. Kennedy's assassination, which he described as the result of a conspiracy.

Castro said that according to Cuban security experts, the Dallas murder involved persons other than Lee Harvey Oswald, who was blamed as the lone assassin of the U.S. president. Castro said that Cubans with great experience in security have plenty of information on Kennedy's assassination, information which Cuba is willing to give to anyone. He also said that Washington is fully aware that Cuba never participated in Kennedy's assassination, which was senseless.

Cuba joined the persistent debate on the circumstances of Kennedy's assassination last month when a security official said in a highly publicized documentary that the president was the victim of a conspiracy and that he was killed by two Cuban counterrevolutionaries and three hit men from Chicago.

Castro Congratulates Venezuelan President-Elect

FL1612191693 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Dec 93

[Text] PRENSA LATINA reported today that President Fidel Castro has sent Venezuelan President-elect Rafael Caldera a message of congratulations for his victory in the 5 December elections. The message was delivered to Caldera by Norberto Hernandez, Cuban ambassador in Caracas, during a meeting during which Caldera expressed interest in the situation on the island.

Robaina Views Bogota Visit Upon Return

FL1612221293 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Dec 93

[Text] After a three-day visit to Colombia, upon returning to Cuba, Foreign Minister Roberto Robaina made statements to PRENSA LATINA journalist Barbara Betancourt regarding the prospects that the recently inaugurated diplomatic relations open up for the two countries.

[Begin recording] [Betancourt] Mr. Minister, an assessment of this visit to Colombia is necessary, in this brief talk.

[Robaina] It seems to me that working with such a professional and capable team to explain our country's situation to a Colombia like the one we visited, as well as to learn from a Colombia about its own situation, opens up an unprecedented space for communication, exchanges, and cooperation. We did this with representatives who, let us say, were capable of assimilating with great clarity, audacity, and realism the situation of today's Cuba.

I think that...[pauses] I have been asked repeatedly whether the visit exceeded our expectations. I think that those who went to Colombia have always been faithful representatives of our people. Every time they have been assigned a mission they have always done more than expected. I think they have presented a very up-to-date, very realistic image and, especially, a very capable image of showing the world how willing we are to change as well as how determined we are to not sacrifice and not negotiate what none of us considers to be negotiable.

[Betancourt] Mr. Minister, from the practical viewpoint, this visit was at two levels: The official level during which you met with ministers, your counterpart, and President Gaviria, and the other level during which the comrades who accompanied you met with economists and academicians. What came out of all this?

[Robaina] Well, I would say that the most important thing is that this is the first time a visit between ministers ends and you do not hear words such as: at a later date, once the agreement is reached, further meetings will be held. We took a very large delegation that was able to establish those contacts within the framework of the visit itself and to get involved in that mutual getting-to-know-each-other as well as identifying areas. We all met with the most important members of their specific area and and we would say that they made progress not only in explaining themselves but also in establishing what can actually be done at this time. We have come back with many projects. These projects are not in the planning stages. Dates have been set to give continuity to these projects. These projects have possibilities. I think that one of the things we have to worry about is giving continuity to those projects already under way.

[Betancourt] And on the official level? What was achieved on the official level?

[Robaina] At the official level, we managed to sign scientific, cultural, and economic cooperation agreements. We also established a binational agreement between the two nations that allows us to evaluate, year by year, all our realities, and to give them continuity and followup. And, also on the official level, visits with similar characteristics to Cuba by Colombians soon was provided for.

Foreign Trade Minister Meets Guyana Prime Minister

FL1712000693 Havana Radio Progreso Network in Spanish 1200 GMT 16 Dec 93

[Text] GRANMA reports today that Sam Hinds, Guyanese prime minister and acting president, has received Cuban Foreign Trade Minister Ricardo Cabrisas and the Cuban delegation that participated at the first session of the Cuba-Caribbean Common Market Joint Commission. According to reports received from the area, it was a friendly meeting held within the framework of cooperation.

Dominicans Oppose U.S. Request on Investments

FL1712000993 Havana Radio Reloj Network in Spanish 2030 GMT 16 Dec 93

[Text] The Dominican Republic religious, business, and political sectors have strongly opposed a U.S attempt to get the Dominican Republic authorities to stop Dominican citizens from investing in Cuba. According to HOY, a Dominican daily, the U.S. request was sent to Dominican Industry and Commerce Secretary Arturo Martinez Moya by U.S. Economic Section official William Falkner. During a news conference, Monsignor Fabio Mamerto Rivas, bishop of Barahona, said that no government or foreign group can set conditions for the Dominican Republic or any other country to do as they please. Meanwhile, Jose Manuel Paliza, vice president of the Santo Domingo National Council of Businessmen, said that he could not believe this request, adding that a people's self-determination cannot be violated.

The U.S. request for the Dominican authorities to stop Dominican businessmen from investing in Cuba has met with strong opposition. Jose Antonio Guzman, director of the Dominican Industrial Development Corporation, recalled that he has always said, and has no fear of repeating, that he will not accept interference in the country. Guzman recalled that in 1965 he opposed the U.S. invasion of the Dominican Republic and that today he opposes U.S. interferene in the domestic affairs of that Caribbean nation.

Meanwhile, (Raldo Fleming), president of the American Chamber of Commerce in the Dominican Republic, said that there will be no reprisals by United States should the authorities not accept its request to stop its citizens from investing in Cuba.

Further on U.S. Request

FL1712024893 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Dec 93

[Text] The Dominican industry and commerce secretary has told the press that it is the responsibility of Dominican President Joaquin Balaguer to decide what will be done regarding the U.S. request that trade with Cuba be stopped. Even though the secretary said that he had his own opinion on the matter, he refused to comment on a letter sent by the U.S. Embassy asking the Dominican Government to avoid, by all means, negotiations with the Cuban Government. This U.S. request unleashed a wave of protest in the Dominican Repubic. Meanwhile, EL NACIONAL published an editorial stating that the U.S. Embassy Economic Section, author of the letter, was out of line and that the request is unacceptable.

Switzerland Extends Trade Agreement

FL1712140893 Havana Radio Rebelde Network in Spanish 0000 GMT 17 Dec 93

[Report by (Ilya Sardina)]

[Text] Today the Swiss and Cuban Governments signed a document that extends the trade agreement between the two countries. The document was signed by Cuban Vice Foreign Minister Isabel Allende and Swiss Ambassador Harald Borner. At the conclusion of the ceremony Isabel Allende said:

[Begin Allende recording] It makes me happy to be the acting foreign minister. This has allowed me to sign this extension of the trade agreement with Switzerland. This is something that is done every year. We do it every year but this does not mean that it is less important. It is important because it represents the Swiss and Cuban Government's determination to continue their relations at the best level and to continue developing ties at government, commercial, and business levels. But most important, it represents a willingness to continue developing the ties between the Swiss people and the people of this tiny island that does not look anything like Switzerland, but is also beautiful and has its natural beauty. This people have deep respect for the people and government of Switzerland, a country that represents our interests in many countries. [end recording]

Harald Borner said he hopes the signing of this document will be considered as the beginning of larger exchanges between the two countries.

[Begin Borner recording] This event is held each year, but as you have already said, it is not just a formality. It is proof of our trade exchange. This year we can say that this ceremony is being held at a time when Cuba is putting forth its best efforts to improve its economy. We hope this extension will be the beginning of larger exchanges between our two countries. [end recording]

With the signing of this agreement Cuba and Switzerland grant each other the status of favored nations and the Swiss importers are committed to purchase a specific amount of Cuban sugar.

Roundup of Economic Activity Reported 14 Dec-16 Dec

FL1712142093

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 14 and 16 December.

Radio Reloj at 1501 GMT on 14 December reports that over 300 caballerias of tubers, grains, and vegetables have been planted to date by Matanzas farmers in the cold-season planting. This month 750 caballerias of various crops, mostly potatoes, should be planted. "Matanzas has a certain amount of fuel at present, which will allow it to increase the speed of planting and of preparing the ground, although the amount is less than what is really needed, thus making it necessary to work more efficiently."

Radio Rebelde at 1800 GMT on 14 December reports that Santiago de Cuba's copper mine in El Cobre, the continent's oldest, "is preparing to end one of its most productive years." The local People's Council president, Juan Manuel Rodriguez, reports that the mineworkers this year "shipped out one of the highest amounts of the mineral since the triumph of the Revolution". He says when the rains hit, the mine was just 90 tons short of the 1,200-ton plan for 1993.

In the same newscast, Rebelde reports that the potato-planting campaign has begun in Sancti Spiritus Province. "Despite the fact that the original schedule could not be met because of the rains at the end of November and beginning of December, which set back the preparation of the lands, the people of Sancti Spiritus Province are working hard to recover." Sancti Spiritus is to plant 40 caballerias during the current campaign.

Rebelde's Guantanamo correspondent reports that the nation's only farm that irrigates bananas using gravity to activate the microjet system, in Imias Municipality, Guantanamo Province, began harvesting on 0.35 caballerias of the farm's three caballerias on 14 December, just 10 months after the plants were planted. Yields of over 10,000 quintals per caballeria are expected for this first crop. The cost of this production is low because of a savings to the country of 600 liters of fuel daily by using gravity to power irrigation and by using animal power to replace agricultural machinery. At the harvest kickoff ceremony, Juan Carlos Robinson, first secretary of the Communist Party of Cuba in Guantanamo, stressed the province's intention to increase not only banana production but that of other crops such as assorted tubers with a view to improving delivery to the population.

Radio Rebelde Network at 0000 GMT on 15 December reports that "tourism in Cuba has grown 34.5 percent between January-October 1993." The report adds that approximately 500,000 tourists have visited Cuba this year and it is expected that the figure will reach 600,000 by the end of the year.

Tele Rebelde and Cuba Vision Networks at 0100 GMT on 15 December report that Ciego de Avila "is showing a growing development in the tourist industry that also benefits residents of the area." This development "not only provides revenue for the country, but these investment plans also create an infrastructure that benefits the area." The report adds that the local airport was refurbished and today is an international airport. International flights from Europe and Canada land at this airport and the number of flights will increase in January 1994.

Radio Reloj at 1504 GMT on 15 December reports that canecutting has begun in Guantanamo at the Manuel Tamez Agroindustrial Complex.

Radio Reloj at 1506 GMT on 15 December reports that Camaguey schools and hospitals have received donations from various parts of the world. The Argentine group "Ciao Bloqueo" sent three tons of school supplies, food, soap, electrical equipment, and medicines earmarked for Sierra de Cubitas and Florida Municipalities, the medical supply enterprise, and the Jose Marti Higher Pedagogical Institute. Friends of Cuba living in Curacao donated surgical equipment to Manuel Ascunce Domenech Hospital in Camaguey. This hospital also received 350 kg of medicines from Germany. Another German solidarity group sent the Luis Casas Romero Vocational Art School 300 kg of educational and food supplies.

Radio Rebelde at 1800 GMT on 15 December reports that the European Commission has decided to give the populations of Latin America, victims of recent flooding and torrential rains, a total of $1.54 million in humanitarian aid of different kinds. Nicaragua will be the principal beneficiary, followed by Honduras. Cuba will get $396,000 to help the people evacuated from the eastern provinces.

In the same newscast, Rebelde reports that the workers of the Frank Pais plant in Guantanamo, Cuba's biggest salt-processing plant, has resumed production after repairing the damage caused by November's intense rains. Meanwhile, the members of the Jose Maceo Contingent from Santiago de Cuba are helping the people of Guantanamo Province rebuild some 160 km of causeways and dikes. The torrential rains washed away approximately 80,000 tons of salt from the evaporation ponds; nevertheless, workers say they can meet the production plan for December, and for the first half of 1994, satisfactorily, though it will require an extraordinary effort.

Havana Radio Reloj at 2042 GMT at 15 December reports that a donation of approximately 48-tons of food from the EEC is being distributed to municipal hospitals in Pinar del Rio Province. A local official described the aid as very useful as a complement to the diet of patients. The donation—over 2,400 bags—includes soaps, grains, pastas, powdered milk, oils, and other food items. A similar donation will be sent to Vuelta Abajo in January or February.

Cuba Vision Network at 2320 GMT on 16 December carries a report on the Espartaco Agroindustrial Complex where a previous experience is being put to work to generate steam. It is being done with sugar cane husk. At the complex, the workers have modified a boiler, replaced two electrical milling machines, and built a 2.5 megawatt producing turbo-generator that together with a 4 megawatt turbo-generator built last year can create enough power for the complex to be self-sufficient and to make its contribution to the national power network.

Major Power Plant Maintenance Almost Finished

FL1712010093 Havana Cuba Vision Network in Spanish 2320 GMT 16 Dec 93

[Report by Nelson Barrera]

[Text] The workers involved in the maintenance being given to the Antonio Guiteras Thermoelectrical Plant in Matanzas are ahead of schedule by several days. This largest and most efficient plant should be linked up to the national network by next weekend. Plant director Engineer (Jesus Mas de Torras) cannot hide his happiness because the workers have kept their promise; however, he does not want to celebrate until he sees the plant producing 330 megawatts per hour, which is its maximum production capacity.

[Begin (Mas de Torras) recording] We are about finished cleaning the boiler and the water pre-heater. This work had been described as critical for concluding the maintenance work. We have already finished working on the turbine, the generator, and we are now finishing the maintenance work on the auxiliary equipment. It looks as though we may be able to turn the plant on and begin testing this weekend and probably link the plant up to the national network this weekend. [end recording]

While the final touches are being given to some of the equipment and systems, testing has already begun in others. This testing is necessary prior to turning the plant on. The first results are good.

Some of the workers from Cienfuegos and Havana have left for home. The remaining workers will be leaving in the next few hours. Behind them are long hours of work they will remember for a long time and which are proof of their capacity and devotion to their work.

Official Discusses Unauthorized Telephone Installations

FL1612172293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 4 Dec 93

[Text] Faulty controls at the telephone exchanges of the capital city [words indistinct] who install telephones illegally.

[Begin recording] [Reporter] How does the Communications Ministry assess this?

[Unidentified official] Well, actually, we have taken a number of measures aimed at combating those elements who create difficulties at our telephone exchanges by installing clandestine telephones. Our population's concern is a real one. We have been able to prove that such criminal actions do indeed occur. For this reason, the enterprise has taken a number of measures aimed at stopping, once and for all, these things, which irriate our population.

[Reporter] And what are the measures that the enterprise is now taking to solve this problem?

[Official] So far this year, over 100 comrades have been sanctioned. They have been hauled into court and sanctioned. This figure represents approximately 17 percent of the total cuts we have had so far this year.

[Reporter] (?Why) do such things happen?

[Official] They happen, first of all, because of a lack of technical discipline. Technical discipline, work discipline, within our exchanges, has to some extent been lost. The lack of monitoring that exists within our telephone plants (?makes it possible for) such individuals to commit crimes that truly cause a problem among our population.

[Reporter] And what kind of results has the work done by the enterprise to track down these illegal telephones had?

[Official] Well, to date, the result...[pauses] last year, during the inspections we conducted at all telephone [word indistinct], we were able to recover what we could call undocumented telephones, phones for which there was no documentation. We recovered over 3,500 of such telephone numbers. So far this year, we are working-...[pauses] inspecting the [word indistinct] anew. We do not have a figure right now for how many; but we think it is approximately the same as last year's figure, insofar as undocumented telephones are concerned—to not call them simply clandestine telephones in general because there are actually counting both clandestine phones and telephones that are undocumented due to a real lack of efficiency in the work of our commercial offices. [sentence as heard]

[Reporter] What does the Ministry of Communications, and especially the telephone enterprise of the city of Havana, intend to do to solve these problems?

[Official] We have created, here at the enterprise (?on) [words indistinct], an office that has been set up so as to allow our population to report to us, or tell us about, all these things that happen and that the population knows about, and about which measures are sometimes not taken. We ask our population, ask the city of Havana, to report these cases to us, at this inspection office of the enterprise, and the cases are going to be be thoroughly investigated with a view to begin taking disciplinary measures against these criminal actions that occur. [end recording]

General Stresses Soldiers' Role To Conserve Ammunition

FL1612190793 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Dec 93

[Text] On its second day of work, the defense committee of the Eighth Science and Technology Forum analyzed the report presented by the government group made up of the Ministry of the Revolutionary Armed Forces [FAR] and the Ministry of Interior. Here is journalist Margarita Torres with the details.

[Torres] The report—presented by Division General (Manuel Fernandez Crespo), who is vice chairman of the committe on defense—stresses, among other aspects, the need to continue linking the man to his problem, and the need for people to solve their problems through their own efforts, abilities, and talents.

At another moment, and in this connection, Division General Ulises Rosales del Toro, head of the FAR General Staff, made the following reflections:

[Begin Rosales recording] I can tell you that today we are using only 30 percent of the number of shells we were using two years ago, but I am convinced that we can reduce what we are using by 50 percent more. But in order to do so, that kind of thing cannot be achieved through a mathematical decision, or by means of a new methodology. It is achieved through the participation of the men, of those who have to do the firing. Because the soldier must be committed to achieving excellence with fewer shells. And that can only be achieved by convincing the soldier. But I also have to convince this soldier, once he has fired his shot, to pick up the bullet tip for me, and bring back the casing too. I mean that committment, that contribution, lies with the man. It is a matter of mass participation. [end recording]

Russian Vote Seen as Not 'Wholly Positive' for Yeltsin

FL1612184793 Havana Radio Rebelde Network in Spanish 1255 GMT 15 Dec 93

[Our Opinion commentary by Eduardo Dimas]

[Text] Good morning. Allow me to take up, again, the topic of the elections in Russia.

The triumph in last Sunday's elections of Vladimir Zhirinovskiy's Liberal Democratic Party contrary to all predictions has given rise to innumerable comments in Russia, and to a number of fears both founded and unfounded in neighboring nations, Western Europe, Japan, and the United States.

Vladimir Zhirinovskiy is one of Russia's most controversial figures. A candidate for the presidency in the 1991 elections, his explosive, ultranationalist discourse, full of sometimes crazy [disparatados] patriotic excesses, has provoked alarm in certain sectors of Russian society but has also increased nationalist sentiment, which is very persistent among the Russian people.

With the vote in 77 of the 89 regions, which Russia is divided into, counted, the Liberal Democratic Party is leading, with (?24.58) percent of the votes—followed by the favorite in the polls, Russia' s Choice, with 15 percent; the Communist Party, with 11 percent; and Women of Russia and the Agrarian Party with over 8 percent. These figures are expected to change very little by the end of the count.

The almost certain triumph of the Liberal Democratic Party will undoubtedly create additional difficulties for President Boris Yeltsin, since he will not have the majority in parliament that he was hoping for; and the possibility that he may have to make use of the right to govern by decree, which the new Constitution gives him, cannot be ruled out.

At the same time, according to observers, the election results question government policy. Several Russian newspapers have pointed out the need for a change of direction in the economic reforms and a renewal of the government, which should be a coalition government. Meanwhile, referendum results for approval of the new Constitution favored President Boris Yeltsin and do attenuate, to a certain degree, the defeat of the parties that supported him. The victory, however, is not as resounding a victory as had been expected.

According to the electoral council, approximately 106 million Russians were supposed to vote in the elections. Of these, 55 million exercised the right to vote: that is, approximately 52 percent. Of the 55 million in question, 60 percent voted in favor of the new Constitution—which means that the Constitution was approved by 33 million Russians, or 31 percent of the 106 million potential voters. That is actually less than one-third of potential votes; and I do not think it can be considered a victory in the broad sense of the word. Of course, those who abstained from voting thereby relinquished to those who did vote the right to decide.

Personally, it does not seem to me that these results are going to facilitate the Russian president's task of governing, but neither is it something that prevents him from exercising his mandate, if we keep in mind that the new Constitution gives him broad powers, above the legislature's decisions.

What is true is that these results, together with the apathy of 51 million Russians, constitute a warning as regards the 1995 elections. If such a tendency continues, the Liberal Democratic Party could be a serious rival to the aspirations to reelection of Yeltsin and his followers.

Lastly, this party's triumph and the low number of votes obtained by the new Constitution, even though it was approved, has caused consternation in the developed capitalist nations. Some see in it the rebirth of so-called Russian imperialism; others a failure of Russia's bourgeois democratization; and the most pessimistic and apocalyptic types the beginning of great conflicts and problems in Russia and its periphery that could lead to a third world war. Thus, I think the outcome has not been wholly positive for the Russian president, and that far from improving his situation, he might have a worse time with this parliament than with the one he dissolved by force of arms on 4 October of this year.

UPEC Official Discusses Journalists Congress

FL1612155493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Dec 93

[Text] On the occasion of the Sixth UPEC [Union of Cuban Journalists] Congress, Cuba's journalists are discussing their role in the press in our society. The final session of this congress will be held on 23 December.

Maribel Acosta has worked as a National Television Newscast reporter since 1985, and she is now a member of the UPEC's national committee, which was elected during this Sixth Congress.

[Begin recording] [Acosta] Nothing a human being does is easy. Everything depends on the strength to do it, the will to do it, the very medium in which (?one) is operating, so as to do it. Therefore, journalism, which already is a gigantic task in a country that is doing the work of a giant, is in no way easy.

[Unidentified speaker] Why?

[Acosta] In the first place, because the responsibility for public opinion is on your shoulders. It is your responsibility to inform and it is your responsibility to form opinions; and, furthermore, you have this responsibility in a country in which there are so many conflicts right now—economic conflicts—and in which there are so many revolutions under way within the Revolution! And you, as a journalist, constitute an element of equilibrium. [chuckles]

One can always note dissatisfaction in all human beings with everything we do. Of course, indeed, I have felt dissatisfied; and I feel dissatisfied especially now, because it is my assessment, I am of the opinion, that right now in the country, where so many things are changing, where so much is changing, the press is, precisely, not doing what it should.

There are several aspects to the journalists' congress, which will take place in mid-December. In the first place,

the current moment in Cuban history, the current economic moment in Cuba, the current ideological moment in Cuba, and, in addition to this, the fact of a UNEAC [National Union of Cuban Writers and Artists], which has been the culminating point of a revitalization of the cultural movement in Cuba. [end recording]

Inter-Caribbean Affairs

Caricom Summit To Discuss NAFTA, Airline Privatization

FL1612151193 Bridgetown CANA in English 1410 GMT 16 Dec 93

[Text] Nassau, Bahamas, 16 Dec, CANA—Issues relating to the privatisation of the airline Liat (1974) limited and progress towards the establishment of an association of Caribbean states are among topics up for discussion at the fourth meeting of the bureau of the conference of heads of government of the Caribbean Community [Caricom], opening in the Bahamas Thursday.

During the two-day meeting at which prime minister of St. Vincent and the Grenadines, James Mitchell, will succeed prime minister of St. Kitts and Nevis Dr. Kennedy Simmonds as a member of the bureau, "shareholder Caricom governments will review their positions on the privatisation of Liat, and the wider issue of establishing a regional air carrier," the Guyana-based Caricom Secretariat reported in a statement.

"With respect to the North American Free Trade Agreement (NAFTA), the Caricom Secretariat is to inform the meeting of efforts to obtain parity, a matter of critical concern to Caricom states.

"Caricom heads of government, who met with U.S. President Bill Clinton last August, were assured that a U.S. trade representative along with a Caricom representative will make recommendations for dealing with these concerns," the secretariat said.

The report to the U.S. Administration is expected to be presented at this meeting, based on the outcome of the Miami conference on the Caribbean held on November 30 last.

The bureau may consider reiterating the concerns of the Caribbean Community for early improvement in the Caribbean Basin Initiative and the Canada-Caribbean trading arrangement Caribcan to ensure that Caricom countries are not placed at any additional disadvantage with respect to trade and investment, upon the implementation of NAFTA, according to the secretariat.

"With regard to the establishment of an Association of Caribbean States [ACS], the meeting will assess the status of progress made since the October meeting of Caricom heads of government and the presidents of Colombia, Mexico and Venezuela and the vice-president of Suriname," the secretariat reported.

"That meeting confirmed the willingness of these governments to contribute to the process of economic integration and cooperation among all the developing countries of the Caribbean Basin.

"This meeting will review further consultation of the ACS project, since two significant meetings at SELA [Latin American Economic System] headquarters in Caracas, Venezuela, in October, and in the Dominican Republic during November.

"The meeting will review a preliminary report to be presented by the recently established Caricom working group of experts on the ACS which was mandated to develop the document for the ACS."

Other topics to be discussed at the bureau meeting are the situation in Haiti, follow-up to the signing of the agreement on the establishment of the Caricom-Cuba joint commission and development of the Caribbean regional institutional strengthening project.

The proposals for the entry into double taxation agreements among Caribbean countries which are expected to be extended to French speaking countries of the region are also up for discussion.

Barbados

Prime Minister Views Future of Broadcasting

FL1612201893 Bridgetown CANA in English 1934 GMT 16 Dec 93

[Text] Bridgetown, Barbados, 16 Dec, CANA—Barbados' prime minister, Erskine Sandiford, has underscored the need for public-spirited broadcasting here.

At state-owned Caribbean Broadcasting Corporation's 30th anniversary awards ceremony Wednesday, he said Barbados, through CBC, must provide a "mixed broadcasting entity", consisting of both commercial and public interest considerations. "I am fundamentally convinced that the national interest of Barbados requires ... public broadcasting that responds to the public interest, rather than to the convenience or dictates of commercial considerations only," said Sandiford, who has responsibility for broadcasting.

He also said that very soon, "20 per cent of the (CBC) shares will be made available to the staff and to the public so that there will be a more direct participation by the public in the ownership of the corporation".

Sandiford said over the next 30 years he expects CBC would re-dedicate itself to building the national conciousness and pride and industry in Barbados. "Over the next three decades, the voice of CBC radio and television should be a regional voice, reaching parts of Caricom in clear reception and with a clear Barbadian and regional message," he told the gathering.

General manager of the corporation, Sam Taitt, said: "It is CBC's vision that within the next two years, there will

be at least twelve daily hours of Caribbean programming by satellite available to our Caribbean community." In a few weeks, he said, CBC's Liberty Radio will be increasing its air-time, broadcasting 24 hours a day "in response to our increasing Liberty audience". CBC will also be upgrading its telephone system and adding a fifth channel to its subsciption televison (stv) service early next year.

The prime minister recalled that the 30 years of CBC were filled with ups and downs. It offered one important lesson—that "vision, idealism and imagination are inestimable qualities in the leadership of any entity, be it a group, a family, an organisation or a country", he said. "Foresight, a plan, a passion, and a strategy are all neccessary ingredients, in putting together a mission statement and in positioning any entity to launch out into uncharted waters," he added.

CBC chairman, Dr. Colin Hope, warned that the media in Barbados and the Caribbean was in danger of being a clone of the communications systems of the United States. He told the gathering that this could happen without the social and cultural responsibility which forms the ethics of the American communication system.

Dominica

Japan Offers Aid To Develop Fisheries

FL1612190493 Bridgetown CANA in English 1843 GMT 16 Dec 93

[Text] Rosseau, Dominica, 16 Dec, CANA—The government of Japan has offered Dominica a grant of 617 million yen—about 5.7 million US dollars—for a costal fisheries development project.

Notes to this effect were exchanged Wednesday in Rosseau, between Dominica prime minister, Dame Eugenia Charles, and Japanese Ambassador Takeshi Tsuruta. The project includes the construction of a fishing port and related facilities in Rosseau, the capital.

"It is hoped that the project will contribute to the economic development of Dominica and further promote the friendly and cooperative relations between the two countries," a statement from the Japanese Embassy in Trinidad said.

Grenada

Economist Cited on Tax Changes, Economy

FL1612153893 Bridgetown CANA in English 1428 GMT 16 Dec 93

[Text] St. George's, Grenada, 16 Dec, CANA—The Grenada Government is planning to re-introduce income tax next year, after an eight-year break, a leading government economist has reported. "The value added tax (VAT) will once again become a consumption tax and income tax will be returned. The new tax structure will be more effective, efficient and have a broader base," the economist, who preferred to remain anonymous, told CANA.

Grenada dropped the income tax system in 1986, beginning an experiment with the VAT. The island is into a home-grown structural adjustment programme (SAP) that has had mixed results.

The economist said there were disappointments but indications that in 1993 the economy grew by .7 per cent. The problems were a direct result of a curtailing of government spending, the failure of the private sector to take up the slack this caused, and a decrease in the performance for the major commodities.

Agriculture declined by six per cent and appears to have bottomed out, the spokesman said. However, prospects for the sector and tourism were said to be good. "It is clear that tourism is the engine of growth in the economy. Agriculture has declined and international prices for all our commodities have all been on the decline," the official told CANA.

According to the spokesman, the success of the SAP will be seen in 1994 when the government can place more of its resources into capital development and finance its public sector investment programme (PSIP). "We tried to deal with the deficit and that placed some pressure on investment in the PSIP but there will be a change in 1994 when the full (structural adjustment) programme would have run its course," the economist remarked.

Among the other bright spots this were was said to be a 12 per cent increase in port and inland revenues. The Grenada economy is projected to grow by 1.5 per cent in 1994.

Haiti

Cedras Reportedly To Take 'Early Retirement'

FL1612223993 Port-au-Prince Signal FM Radio in French 1800 GMT 16 Dec 93

[Excerpts] Deputy Patrick Norseus, from the political organization Lavalas, has denounced what he called the strategy of "wearing out" used by the international community in the Haitian crisis. He said this in an interview granted to the HAITIAN PRESS AGENCY. [passage omitted]

Questioned on the decision of President Aristide to end General Cedras' function as commander in chief of Haiti's Armed Forces, Deputy Norseus thinks that by doing so, President Aristide responded favorably to the general's letter which had informed him of his decision to take an early retirement.

Gen Duperval Reportedly To Replace Cedras

FL1612222693 Port-au-Prince Radio Metropole in French 2000 GMT 16 Dec 93

[Text] It is still unknown if Robert Malval has given a letter to General Cedras that informs him of his being replaced as head of the Army, as was announced by a person working with the president-in-exile. Some ministers of the resigning government, however, have reportedly reproached the head of state for having made such a decision without previously informing the cabinet. Fearing for their safety, those ministers reportedly asked Father Aristide to reconsider his decision and to wait for formal consultations. It should be pointed out that the dismissal letter to Gen. Cedras by President Aristide anticipated the replacement of Gen. Cedras by Gen. Jean-Claude Duperval.

Aristide Wants National Conference Postponed

FL1612171293 Port-au-Prince Radio Metropole in French 1145 GMT 16 Dec 93

[Text] President-in-exile Jean-Bertrand Aristide is no longer in favor of holding a national conference of reconciliation in his absence as had been announced by outgoing Prime Minister Robert Malval. There is a last minute change in the position of Jean-Bertrand Aristide. He no longer wants the holding of the meeting proposed by Robert Malval. UN Secretary General Butrus Butrus-Ghali indicated this following a consultation meeting of the Security Council.

Jean-Bertrand Aristide, in exile in Washington, is asking for the postponement of the meeting until his return to Haiti as provided by the UN-sponsored Governors Island accord, added Butrus-Ghali. It should be recalled that last week Robert Malval had proposed the holding of a conference of national reconciliation open to all sectors of Haitian society, including the military in power, in order to attempt to solve the political crisis in Haiti. The United Nations would have been absent from this meeting, which had received the support in advance of the Vatican and of the four friends of Haiti—the United States, Canada, France, Venezuela.

Continued U.S. Support for National Conference Noted

FL1612171693 Port-au-Prince Radio Metropole in French 1145 GMT 16 Dec 93

[Text] It should be pointed out that Mr. Malval was welcomed at the Port-au-Prince Airport by some Western diplomats posted in Port-au-Prince. American Ambassador William Lacy Swing indicated, at least until yesterday afternoon, that the United States continues to support the idea of the national conference in order to solve the crisis. Ambassador Swing also stressed that the Governors Island accord represented the best formula to resolve the crisis in Haiti.

[Begin Ambassador Swing recording] We have regretted Malval's decision but at the same time we respect the decision that he made. We hope that the national conference will be held and that it will be a way to resolve the crisis in the framework of the Governors Island accord. In any case, we are going to support the national conference and all other efforts which are included in the Governors Island Accord because we still support the process of this accord. [end recording].

Those statements were made by the American Ambassador in Port-au-Prince, William Lacy Swing.

Jamaica

Nurses Vote To End Strike

FL1612214793 Bridgetown CANA in English 2112 GMT 16 Dec 93

[Report by Garfield Myers]

[Text] Kingston, Jamaica, 16 Dec, CANA—Jamaica's nurses voted at an emergency meeting Thursday to end their eight-day old strike and to resume duties, beginning with the night shift.

President of the Nurses Association of Jamaica (NAJ), Ancilyn Morgan, told CANA that nurses voted "unanimously" to return to work after being assured that government was acting swiftly to complete a wage and fringe benefit settlement retroactive to 1992.

This followed the receipt by the NAJ of the recommendations for salary increases from the public sector's permanent salaries review board and the government's acceptance of the recommendations.

Morgan said the nurses would be meeting with the review board next Tuesday to discuss the salary recommendations and would also be meeting next week with the Public Service Ministry which oversees salaries in the public sector.

She declined to comment on whether the nurses considered the review board's recommendations satisfactory but said there were "certain aspects" that needed clarification.

The nurses stopped working last Thursday to protest what they say was government's tardiness in settling their wage and fringe benefit claims. The government argued that the nurses themselves contributed to the situation by delaying negotiations with the permanent salaries review board.

The industrial action caused a severe cutback in routine as well as emergency services in hospitals and health centres islandwide. Outpatient departments and a number of wards were closed and many patients on the non-critical list in hospitals sent home. Nursing supervisors, nursing assistants, ward assistants and volunteers maintained basic services at the hospitals.

According to Prime Minister Percival Patterson, the recommended salary increases involve a "substantial" boost in nurses' salaries. The increases will be paid in cash and government bonds, Patterson told journalists this week.

St. Kitts and Nevis

Opposition Leader Criticizes Appointment of Advisors

FL1612195093 Bridgetown CANA in English 1910 GMT 16 Dec 93

[Text] Basseterre, St. Kitts, 16 Dec, CANA—Leader of the St Kitts-Nevis Labour Party, Dr. Denzil Douglas, on Thursday welcomed the lifting of the state of emergency here. But Douglas repeated calls for a fresh general election and criticised the government's appointment of two new advisors.

The state of emergency was declared in St. Kitts December 2 after demonstrators attacked the police, vehicles and buildings. They were protesting the announcement of a coalition government led by Prime Minister Dr. Kennedy Simmonds following November 29 elections that produced no clear winner. The state of emergency was to have run 21 days, but was lifted early because of an improvement in the situation here.

"From the very beginning we made the point that (the state of emergency) was not necessary in the sense that the people had returned to a state of calm," Douglas said, welcoming the return to normalcy here.

Douglas' party, like Simmonds', won four seats in the election, but Simmonds teamed up with the Nevis Reformation Party to form a government. Douglas, however, maintains that with only five of the 11 parliamentary seats and a minority of the votes, Simmonds has no legitimate right to form a government.

"... What we are saying is that the result (of the poll) was inconclusive, and Simmonds must return to the polls and get a mandate from the people to govern this country...," Douglas told CANA. Douglas also condemned the appointment this week of Richard Caines and Roy Jones as advisors to the government.

Caines was appointed to the Ministry of Finance, where he served as a junior minister in the last administration. Jones, beaten by newcomer Timothy Harris of Labour in the November 29 poll, was appointed to the Ministry of Trade, Industry and Tourism, which he headed in the last government. Douglas said the appointments show Simmonds' "total disregard" for the people of St Kitts and Nevis.

Trinidad and Tobago

Minister's Loan Write-Off Causes 'Uproar'

FL1612221593 Bridgetown CANA in English 2130 GMT 16 Dec 93

[Text] Port-of-Spain, Trinidad, 16 Dec, CANA—An alleged write-off of a multi-million dollar loan to a senior Trinidad and Tobago Government minister caused an uproar among opposition parliamentarians Wednesday.

Opposition MPs objected to the reported write-off and called for a government statement on the matter. Basdeo Panday, leader of the opposition United national Congress, angrily asked if the government wanted the opposition to participate in forgiving "a debt of 30 million dollars".

Media reports here say that a major part of a loan guaranteed by Planning and Mobilization Minister Lenny Saith, who is currently the country's acting prime minister, was written-off by a number of financial institutions. "A situation like that arises where the price of oil is falling, the income to the country is being reduced. We don't know what is going to happen to the budget and we read in the papers of people being forgiven 12 million dollars debt, then they say that is a mistake—that is only the capital; the interest is 20 million dollars, ... and more than that, that four other members of the cabinet are also in a similar position and the prime minister (Patrick Manning) doesn't say a word," Panday complained.

But leader of government business, Ken Valley, objected to Panday's remarks, stating that the matter was a private arrangement between a bank and an individual. However, that did not stop other members of the opposition, including chief whip Ramesh Lawrence Maharaj, from joining the condemnation of the alleged write-off.

Former Prime Minister A. N. R. Robinson during his contribution to the debate called for government to make a statement on the Saith matter.

Country Satisfied With GATT Results

PA1612030193 Mexico City NOTIMEX in Spanish 0038 GMT 16 Dec 93

[Report by Eduardo Porter and Gerardo Arreola]

[Text] Geneva, 15 Dec (NOTIMEX)—Protected by NAFTA and afforded the opportunity to negotiate because of its association with the world's most powerful economy, today Mexico declared itself satisfied with the results of GATT's Uruguay Round of talks. "Mexico benefits from the results of these negotiations," Herminio Blanco, commerce under secretary for international negotiations, said at the close of the talks. Meanwhile, a delegate from another Latin American country pointed out that this benefit "is the result of associating with one of the world's great commercial powers."

Mexico, 70 percent of whose trade is covered by NAFTA, faced the negotiations for the other 30 percent of its trade calmly and discovered that its ties with the world's commercial powers protect it. In his speech to the other 116 GATT delegates, Blanco said the country did not have to yield too much in tariff reductions and that the country won the right to subsidize enterprises that face environmental protection-related costs.

"Mexico is setting its tariffs at 35 percent," he said. This entails a reduction from 50 percent to 35 percent in the country's tariff ceiling, but this does not change current tariffs which average 10 percent. With this concession, "our trade partners have acknowledged the unilateral commercial opening we have established over the past few years," he said.

With some trade partners, in particular the EC, the negotiations on market access and tariff reductions are still incomplete, but they are proceeding satisfactorily, according to Blanco. In fact, he said, Mexico proposes to keep its highest consolidated tariff at 50 percent for those products whose top exporter remains the EC. He said the country had good access to other markets, however, and that from now on Mexican beer will pay no tariffs because it is included in the "zero by zero" tariff agreements with other countries.

These tariff agreements must be extended to the entire world according to the "most favored nation" clause, which is GATT's cornerstone. Other Latin American countries were given less favorable treatment. Brazilian Ambassador to GATT Luis Felipe Lampreia bitterly pointed out that the results of the Uruguay Round of talks "sometimes left us with contradictory feelings."

Latin America's trade clout experienced last-minute problems with the EC. These problems should be resolved through negotiations to be held no later than 15 April, a date the EC threateningly set as a deadline to withdraw from talks on reductions in tariffs on Brazilian orange juice.

While Central American banana producers continued to hold urgent negotiations because of Europe's quotas on bananas, Mexico complained about general items, such as the lack of greater subsidies for agriculture in the Uruguay Round of talks. Mexico also expressed dissatisfaction over the missed chance to liberalize financial services, maritime transport, and audiovisual services, whose true opening was postponed.

Regarding "tariffication"—substituting nontariff barriers for agricultural and livestock tariffs—Mexico did not have to yield because it had already negotiated this very same process with the United States and Canada in the trilateral treaty. Mexico, however, was permitted to impose a tariff of 215 percent on corn, the nation's leading product.

Commerce Secretary Explains GATT Benefits

PA1612143893 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Dec 93

[From the "Good Morning From Mexico" newscast]

[Text] Jaime Jose Serra Puche, commerce and industrial development secretary, has said that with the conclusion of the GATT Uruguay Round our country will receive important benefits thanks to the principle known as most-favored-nation status.

Serra Puche stated in an official communique that our country's industrial exports will be favored with a 33-percent tariff reduction. Important markets will open up for Mexican fruit and vegetable exporters, sectors in which offers for tariff reductions exceeded 20 and even 40 percent.

Tariffs will be eliminated or reduced in various areas of interest for Mexico, such as the iron and steel industry, nonferrous metals, beer, as well as textile and chemical products, among others. Jaime Serra said Mexico achieved the recognition of the automatic opening of its economy without reducing its current tariff levels.

In January 1994, the Commerce and Industrial Development Secretariat will initiate a campaign to announce the results of the negotiations. On that same month, the commerce secretary will appear before the Mexican Senate to explain the negotiations at the Uruguay Rounds and the negotiations held with the Group of Three. In April, Jaime Serra Puche will travel to Morocco to sign the final document which includes all the Uruguay Round results and will then submit the agreement to the Mexican Senate for its approval.

Salinas Views GATT Conclusion as Beneficial for Mexico

PA1612212293 Mexico City NOTIMEX in Spanish 1625 GMT 16 Dec 93

[Text] Beijing, China, 16 Dec (NOTIMEX)—Mexican President Carlos Salinas de Gortari has confirmed here that the satisfactory conclusion of the GATT Uruguay Round will generate greater world prosperity and represents the opening of new markets for Mexican products.

During statements made upon his arrival in this capital, the president said that the conclusion of GATT would help Mexico's trade diversification effort without the need for the nation to adopt additional opening measures.

Upon his arrival at the "Diaoyuntai"—the PRC Government guest house—where he will lodge during his stay in this capital, Salinas expressed his agreement with the successful conclusion of GATT while he commented on four aspects that would benefit Mexico. The Mexican president said that "having foreseen the opening process, Mexico currently reaps the benefits of tariff elimination by the rest of the world that opens new markets for our nation's products, without the need to adopt additional opening measures."

He added: "At Mexico's initiative, the multilateral agreement [NAFTA] left our nation enough leeway and margin to carry on its programs Procampo [In Support of the Countryside] and Direct Support to the Nation's Agricultural Producers [Apoyo Directo a los Productores del Pais], as well as to continue with the programs supporting environmental protection."

President Salinas noted: "There is basic harmony between GATT and NAFTA," while he underlined that the most outstanding are in matters of subsidies, illegal international trade practices (dumping) [previous word in English], and in the solving of controversies. He noted that in all these issues "Mexico's position has been strengthened as the multilateral rules are set down (included in GATT).

The Mexican president expressed his approval for the consolidation of the World Trade Organization that will be "a particularly important forum for nations with a lesser level of development."

After stating Mexico's position with regard to the GATT conclusion, the Mexican president sent a message of congratulations to Peter Sutherland, GATT general director, for successfully concluding the negotiating process to end the talks, which began over seven years ago.

Senator on Approval of Foreign Investment Law

PA1612145793 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Dec 93

[Report by Gerardo Segura; from "Good Morning from Mexico" newscast]

[Text] The Mexican Senate approved the foreign investment law on 15 December despite PAN [National Action Party] and PRD [Party of the Democratic Revolution] votes against.

The bill was submitted to the Executive Branch for its approval with 48 votes in favor. Senator Victor Manuel Tinoco explained that the initiative responds to the economic guidelines and development outlook of our country.

[Begin Tinoco recording] In addition to showing strict respect for the constitutional norms, it provides legal guarantees for investors, establishes precise rules for channeling international capital and productive activities, it promotes competition in the country, it simplifies administrative paperwork and especially bears in mind the country's development by demanding that foreign investment contribute to the promotion of jobs, the training of workers, the transfer of technology and so on. [end recording]

In a secret session, the senators reviewed the document approving the agreement between the United States and Mexico, which establishes the Commission of Ecological Cooperation and the North American Development Bank. The bank will begin operating with $3 billion, each country contributing equal shares. The purpose is to finance projects to promote the conservation, protection, and improvement of the environment as well as to promote social welfare in the area.

Senate Modifies 21 Laws To Conform to NAFTA

PA1612171693 Madrid EFE in Spanish 0327 GMT 15 Dec 93

[Text] Mexico City, 14 Dec (EFE)—Today [14 December] the Mexican Senate approved a set of legal modifications to 21 economic-financial laws and the Bank of Mexico Law to bring them in line with NAFTA signed by Canada, the United States, and Mexico.

The new Bank of Mexico Law, which will go into effect on 1 April 1994, will grant autonomy to the financial institution for controlling the issuing, circulation, and purchasing power of the currency in order to curb inflation, a Senate spokesperson reported. The law will permit, the communique added, the independent handling of resources to prevent that institution from being used to finance government projects which only destabilize the monetary system by putting large sums of money in circulation.

The reformed laws that have to do with NAFTA are the Foreign Trade Law, the Customs Law, the Federal Fiscal Code, the Basic Law [la Ley Organica], the Law of Professions, the Law of Expropriation, the Basic Law of Mexican Petroleum, the Copyright Laws, and the Energy Public Service Law.

With these reforms, the government seeks to establish mechanisms to solve the disputes derived from dishonest trade practices negotiated in international treaties, as well as to facilitate access to markets concerning rules of origin and customs procedures. These reforms are also intended to define the authority of fiscal courts regarding foreign trade and facilitate the application of NAFTA on the rendering of professional services.

Among the initiatives, the proposals broadening guarantees on the procedures and compensations in cases of

expropriation stand out, together with changes to settle disputes on energy matters, and the protection of author's copyright.

The legislative package is aimed at creating favorable conditions for commercial and financial operations derived from NAFTA's entering into effect.

Further on Appointments by President Salinas

PA1612180193 Mexico City XEW Television Network in Spanish 0430 GMT 15 Dec 93

[From the "24 Hours" newscast]

[Text] President Carlos Salinas de Gortari has made the following appointments: Mr. Jesus Silva Herzog is the new tourism secretary; Andres Massieu was appointed assistant communications and technological development secretary at the Communications Secretariat; Jose Angel Gurria was appointed general director of the National Financial Corporation [Nacional Financiera]; Enrique Vilatela was appointed general director of the National Foreign Trade Bank [Bancomext], and Jorge Espinoza de los Reyes was appointed general director of the Public Credit Department at Bancomext.

The Mexican Senate must approve the following appointment: Mariano Palacios Alcocer, federal prosecutor for environmental protection.

The president also appointed Jose Narro Robles, president of the National Ecology Institute; Juan Rebolledo Gout, private secretary to the president; and Angel Ramirez, senior officer at the Commerce Secretariat.

PAN Presidential Candidate Suspends Campaign in Protest

PA1712041993 Madrid EFE in Spanish 0034 GMT 15 Dec 93

[Text] Merida (Mexico), 14 Dec (EFE)—Diego Fernandez de Cevallos, presidential candidate for the National Action Party (PAN), Mexico's second parliamentary force, announced today the suspension of his pre-electoral campaign until his party's victory in the Yucatan State elections is acknowledged.

Fernandez de Cevallos will suspend his campaign until the contest is settled by acknowledging the alleged victory of the PAN in the 28 November elections for the governorship, 25 deputy seats, and 106 mayoralties in Yucatan State.

The official vote recount indicates that the governorship was won by Federico Granja Ricalde of the ruling Institutional Revolutionary Party (PRI), which was also declared winner of the mayoralty of Merida, the capital of Yucatan.

PAN contested the results of the elections and proclaimed its victory in Merida and other municipalities. The state's electoral tribunal must settle the issue on 19 December. "If you do not budge, I will not budge. Do not be dismayed, do not lose faith because I am sure we will not lose this struggle," Fernandez de Cevallos told his colleagues as he announced his decision. He is currently involved in a campaign prior to the official start of the electoral period in January.

A PAN spokesman in the Mexican capital could not tell EFE if the suspension is indefinite. "We do not know what he will do if this conflict remains unsettle," the spokesman added.

Ana Rosa Payan, PAN gubernatorial candidate who is on leave as mayor of Merida, told EFE that the conflict "should be settled in favor of our party because it received a majority vote in this city and other municipalities. It cannot be said that the acknowledgement of our victory in Merida and other municipalities, places where we contested the results, would be a concession to our party by the government and the PRI, because we received the legitimate vote," she added.

If this is not settled, Payan warned, the PAN will carry out civil disobedience "to apply increasing pressure until they acknowledge our victory."

David Van Valkenburg, the U.S. Consul to Merida, revealed that he has met with political leaders in Yucatan to gather information on the elections. A group of PRI legislators last night repudiated the "meddlesome actions" of the U.S. consul and demanded that he stop interfering in Mexican politics.

El Salvador

Importance of U.S. Documents Downplayed

PA1612232493 San Salvador Radio Venceremos Network in Spanish 1800 GMT 16 Dec 93

[From the "Period, Same Paragraph" newscast]

[Text] The Salvadoran Government downplayed the importance of the new documents the United States declassified on U.S. military support to civilians with links to death squads. President Alfredo Cristiani and Defense Minister Humberto Corado said the files have no definite sources, lack evidence, and do not commit the U.S. State Department.

Cristiani: NEW YORK TIMES Report 'Not Necessarily True'

PA1612232393 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 15 Dec 93

[Report by Dagoberto Corea from the Legislative Assembly for the "Facing the Moment" newscast]

[Text] President Alfredo Cristiani said today that a report published by THE NEW YORK TIMES involving Francisco Elena Fuentes, former commander of the 1st Infantry Brigade, is not necessarily true. Cristiani said this report does not help consolidate the national reconciliation process and that documents such as this one should be filed away, because the future is what matters:

[Begin Cristiani recording] Alexander Watson, U.S. assistant secretary of State for Inter-American affairs, personally pointed out in El Salvador that the newspaper itself says it cannot guarantee that such a report is true because of the way the information was collected. Nevertheless, I want to say something that I think is more important for the Salvadoran people: All of this is part of history and should have been left behind. As of January 1992, we started to construct a consolidated democracy in peace. We should concern ourselves with what happens now and with what we will be doing for the country from now on. We should not keep debating or talking about the past. Both sides perpetrated the same actions. A debate would be useless and should be forgotten. [end recording]

He also said the government will pay the compensation which demobilized Armed Forces personnel are entitled to and implement the transfer of land ownership and the programs for reincorporation into civilian life. He declined to comment on the amnesty demanded by more than 150 former military members being held in Santa Ana prison.

Government Signs Agreement With Former Soldiers

PA1712040293 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 16 Dec 93

[Report by David Rivas from the "KL Radio News" newscast]

[Text] Regarding the situation yesterday at the Legislative Assembly, we inform you that we left the Assembly installations at 0130 [0730 GMT] early this morning. After 12 hours of intense negotiations between demobilized Armed Forces members and a high-level government delegation, an agreement was reached concluding that beginning 23 December compensation will be paid to former Army members, with an initial budget appropriation of 60 million colones. This was contemplated in the peace accords.

We will now repeat a report we broadcast earlier from the Legislative Assembly, when demobilized Army members announced the agreement reached with government officials:

[Begin unidentified spokesman for demobilized Army members recording] [shouting heard in background] Please, allow me 10 minutes to speak to you. We have now reached an accord and we will have a December with our pockets full of money, gentlemen. [applause] [end recording]

This was the moment when exhilarated demobilized Army members were informed of the agreement with the government to pay compensation to them beginning 23 December. In statements to the press, the representative of the demobilized Armed Forces members reported the contents of the accord reached early this morning with government representatives.

[Begin recording] [Jose Ricardo Cardona, former sergeant of the Army Special Forces] We reached the agreement because the need for our compensation was clear.

[Unidentified reporter] How much money will you receive?

[Cardona] Listen, we will now receive compensation equal to 12 months' salary as promised in the peace accords.

[Reporter] What about the land and credits?

[Cardona] We will meet later to discuss land and credit issues. What we wanted now was to receive compensation, and our demand has been met.

[Reporter] When will the compensation payments be made?

[Cardona] On 23 December.

[Reporter] [Question indistinct]?

[Cardona] I think all of us will be compensated.

[Reporter] [Question indistinct]?

[Cardona] We will now sign the document in which the government pledges to compensate all our comrades.

[Reporter] How much money will each of you receive?

[Cardona] We will receive 12 months worth of salaries, according to the last recorded salary.

[Reporter] [Question indistinct]?

Honduran Government submit to its demands, fair or not, especially in defense of the economic interests of U.S. citizens.

One example of this is that due to the implementation of, I repeat, the U.S. Government's economic big stick, Honduras was forced to compensate adventurer businessman Temistocles Ramirez with millions of lempiras. Temistocles' lands were expropriated—in Puerto Castilla, which is constitutionally off limits to foreign ownership—to create a military training center, the CREMS [Regional Military Training and Security Center], for Salvadoran troops, even when the Honduran State did not maintain diplomatic relations with El Salvador. The CREMS was established due to pressure by the United States within the context of its support for the Salvadoran Army in its struggle against the Farabundo Marti National Liberation Front (FMLN), but when Don Temis made his claim our government's defeatism was worth nothing. Honduras even had to pay for the dust on the boots of that adventurer.

The same weapon was used to force the National Congress to approve the Authorship Rights Law which, by the way, established previous censorship for informative material and editorials, which flagrantly violates freedom of expression. The contents of that law—which have been questioned by the entire world—render Honduras an area open for the invasion and exploitation of foreign televised broadcasts.

President Callejas—worse now that there is no balance of power in the world—thinks in terms of only one nationality when it comes to justice: the North American nationality. Perhaps anticipating this situation many years ago, that old Honduran liberal chieftain, Dr. Jose Angel Zuniga Huete, entitled his law thesis: "Right is Might."

Nicaragua

Assembly Elects Justices, Approves Budget

PA1512231393 Managua BARRICADA in Spanish 14 Dec 93 pp 1, 12

[Report by Jorge Katin]

[Text] After intense, last-minute negotiations, the National Assembly yesterday elected the new members of the Supreme Court of Justice, who will assume their posts on 23 December.

The competition for the Supreme Court positions began with the candidacy of Dr. Guillermo Vargas, who is the current Attorney General. The list, which was headed by Vargas Sandino, also included Dr. Francisco Plata, who had initially received the support of the UDC [Christian Democratic Union], the BUR [not further identified], and the Center Blocs.

Just then Dr. Gustavo Tablada [president of the National Assembly directorate] received an urgent call. It was later said that the call was from the Presidency, and immediately after the call, the entire Center Bloc left the plenary, thus forcing a recess of over an hour. The voting process resumed when the Center Bloc returned to the session. The UDC's Alejandro Solorzano then nominated Dr. Vargas Sandino, who was finally elected by 45 votes.

A Center Bloc source told BARRICADA that the government had convinced them that it was important to have Dr. Vargas Sandino in the Supreme Court. Furthermore, the source revealed that the government had reaffirmed its political commitment to appoint Dr. Gustavo Tablada as government minister. Dr. Plata will probably appear on the list of candidates for Attorney General, which the executive will send to the legislature in the next weeks.

Bad Cue

The other magistrates who were elected are Drs. Rodolfo Robelo Herrera, Supreme Court magistrate between 1980 and 1987; Alba Luz Ramos, and Rafael Chamorro Moro. The last two are being reelected to their positions in the Supreme Court.

Social Democrat Adolfo Jarquin said the government sent UNO [National Opposition Union] a bad cue with the presentation of the candidate's list as it does not include their main candidates, specifically Roger Guevara Mena and Enrique Pena Hernandez. UNO, however, did not attend the meeting called by the executive last Friday. One of the points on the agenda was the signing of the final UNO-Government agreement, which included the appointment of at least one of the candidates proposed by the coalition.

Budget Is Approved

The deputies also approved the Law for the Republic's Budget for 1994 during the morning debates. As expected, the allocations amounted to 50 million cordobas, with municipal development projects and the police being given priority.

Regarding the 7 million cordoba allocation to the National Assembly itself, Dr. Sergio Ramirez, chief of the FSLN [Sandinist National Liberation Front] bloc, acknowledged that this disbursement could give the legislature a bad image. He justified it, however, by alleging that payments had been delayed by the Finance Ministry. He also emphasized that the working commissions have had a difficult time acting in the country.

Serious Defects

The UNO deputies appeared briefly at the plenary session, and one of their representatives read a document protesting the "serious" defects in the presentation of the ruling. They then withdrew to the corridors. Azucena Ferrey of the UDC said her parliamentary group would defend the bills that the UNO deputies, who were in the corridors, would not defend. "The UDC is correcting its mistake of not fully participating in the commission that issued the budget," Ferrey highlighted.

The National Assembly ended its work for the current year by approving the internal bylaw reforms and sending them to the corresponding working commissions. The closing ceremony of the current legislative period will be held next Wednesday.

* Text of 1994 Budget Proposal

94CA0042C Managua BARRICADA in Spanish
10 Nov 93 pp 4B-5B

[Article by Finance Minister Emilio Pereira Alegria: "Executive Summary: Presentation of Nicaragua's Proposed 1994 Budget of Revenue and Spending"]

[Text]

Introduction

The proposed 1994 Budget confirms the main principles that have guided economic policy for the past three years.

The proposal drafted by the Executive Branch is based on projected growth in the gross domestic product (GDP) of roughly 2.5 percent, assuming a rate of inflation of approximately 10 percent in 1994.

It should be noted that while the anticipated growth rate falls below the estimated medium-range potential of the Nicaraguan economy, it is nevertheless highly positive when one considers that it follows six consecutive years of recession, from 1984 to 1990. Moreover, it comes on the heels of unprecedented macroeconomic stabilization achieved in just three years, from 1991 to 1993, and in the midst of political and economic changes marked by a transition to democracy and a social market economy led by the private sector.

As a result, the planning and structure of public spending for 1994 form an integral part of changes in economic policy that lay the foundations for sustained growth based on increased exports, a more favorable climate for private investment, the creation of jobs, and an efficient adjustment of the public budget.

The central goal of the Government's Economic Program for 1994 is a return to the path of sustained growth, while maintaining the gains of stabilization within a framework of declining world aid.

Nicaragua is in the throes of a difficult economic transition to a market-based economy. The plan of adjustment implemented since 1991 has stabilized the economy. Nevertheless, the heavy burden of interest owed on the foreign debt, along with interruptions in scheduled aid payments, a marked drop in export prices, the three-year drought, natural disasters, rural violence that has interrupted harvests and marketing activities, unexpected expenditures to finance the costs of pacification, and an environment of political instability, have combined to prevent any rapid recovery of growth.

Declining growth throughout the world will not necessarily have any effect on Nicaragua in the immediate future, but it will in medium-range terms. The degree to which foreign aid drops will be largely determined by our ability to continue the process of stabilization and adjustment and the ability of all Nicaraguans to create a favorable climate of social peace that encourages both national and foreign investment.

These challenges must therefore be met, not just by the Executive Branch, but by businessmen, workers, politicians, and all the live forces of the country as well. We therefore ask for the active support of the honorable representatives of the people of Nicaragua in the National Assembly.

Unity on Taxes

In 1994, the government will promote a Tax Agreement between workers, producers, and the government in order to guarantee balanced public finances, create jobs, and achieve a modicum of stability for the next four years.

Among other things, the Tax Agreement will seek a pledge not to increase regular spending of the nonfinancial government-owned sector beyond the estimated growth rate of the GDP for each year, a substantial reduction in exemptions and exceptions, and the transfer of benefits to the people in exchange for a reduction in indirect taxes, more limited discretionary powers to change tax rates, a simplification of taxes, and greater effectiveness of sanctions in the fight against tax evasion and smuggling.

Revenue and Tax Policy

The Central Government's goal in terms of total revenue is to take in 2.538.2 billion cordobas in 1994, 3 percent less than the budgeted figure for 1993. And yet, it is anticipated that real total income will be down 9 percent compared with the 1993 budget. This is mainly due to the elimination of the Vehicle Ownership Tax (ITV) that was included in the 1993 budget and the recent reduction in withholding rates and prepayment of the income tax.

Indirect taxes total an estimated 2.103.8 billion cordobas, up 18 percent over the 1993 estimate. Direct taxes will total an estimated 279.4 million in 1994, a 14-percent drop compared with the projected 1993 figure.

The regressive structure of tax income is typical of Central American economies and the difficulties inherent in rectifying the situation in the near future. In Nicaragua's case, these difficulties are even more marked because of the small size of the economy, its degree of informality, the extremely low level of per capita personal income, and the exemptions, which causes the tax base subject to direct taxes to be very small.

On the other hand, there is agreement on the need to reduce excessive consumption and unnecessary imports in order to achieve a higher level of savings and productive investment.

Spending Policy and Priorities

The quality of government administration is fundamental. Getting back on the road to growth requires a readaptation of the government's role with respect to new problems and challenges stemming from the development process. Despite the wide range of duties and responsibilities, public institutions continue to evolve within the framework of a culture typical of a traditional government concerned more about procedures than results. It is essential to update the machinery of government.

The modernization and rationalization of the government are a necessity in an economy and society undergoing a process of transformation and an indispensable requirement for instituting the momentum required for development.

In recent years, the policy followed by the government has been to continue to allocate more resources for social programs, assigning this sector top priority for the fiscal effort.

Increasing social spending only has meaning insofar as these resources, the product of the united efforts of everyone, are effectively used. This requires a special degree of creativity and commitment on the part of the players involved in social policy.

Experience shows that it is not enough to give resources to public institutions in order to obtain good results.

In the years ahead, significant progress must be made in consolidating a network of social services offering greater opportunities to the poorest groups of society. The municipalities will play a key role in this task.

The government's total public investment for 1994 will involve real growth on the order of 18 percent, maintaining a significant contribution to the national investment effort through improvements in the public infrastructure.

Total Spending

The spending budget amounts to 2,790.4 billion cordobas, 79.3 percent of which will be for regular spending, including 8.6 percent earmarked to pay interest on the foreign debt and 20.7 percent for capital or investment spending.

The 1994 Budget reflects a moderate nominal increase of 10.1 percent over the 1993 budget, but it is important to point out that the investment effort planned for 1994 is up 19.3 percent, reflecting improved distribution and quality of spending.

Regular spending for 1994 will total 2,211.8 billion cordobas, including 827.7 million for wages, amounting to 37.4 percent of all regular spending. Another 663.9 million, or 30 percent, will go for goods and services, while 481.6 million, or 21.8 percent, will be allocated for current transfers, and 238.9 million, or 10.8 percent, will be earmarked to pay interest on the debt.

Capital spending amounts to 528.6 million or 20.7 percent of total spending. Of this amount, 71.4 percent is for direct investment and the rest for capital transfers. This sum funds an investment program of the Central Government amounting to 490.5 million cordobas, 84.8 percent of all capital charges. The rest includes 30 million to continue the MAS [Social Action Ministry] community job program, 12 million for property indemnification, 34 million for the investment for peace in order to comply with agreements reached with those who have "demobilized," and the rest consisting of allocations for machinery and operating equipment for agencies.

The national domestic savings effort will make it possible to fund approximately 48.6 percent of the investment program outlined in the budget. Outside resources from donations will finance 25.6 percent, while loan disbursements will cover the remaining 25.8 percent.

Distribution of Spending

As stated, the 1994 Budget amounts to 2,709.4 billion cordobas. Total allocations to priority sectors: the social area and infrastructure and production, are in keeping with the strategy to redirect spending. Totaling 1,687.1 million cordobas, these two sectors make up 60.5 percent of the total budget, which means that nearly two-thirds of the budget will go to areas having the greatest impact on the country's economic and social development and therefore on raising the people's standard of living.

Some 43.3 percent of all budgeted funds, 1,208.3 million cordobas, are earmarked for the social sector. Another 17.2 percent will be devoted to infrastructure and production, while 16 percent will go for domestic security and national defense, 14.9 percent for general services, including 4.5 percent for the different branches of government, and 8.6 percent will be used to pay the interest on the foreign debt.

This distribution shows that the priority sectors will receive a larger share of the funds than in the past three years and hence, over previous years.

Government Finances and Development Strategy

The policy followed by the government over the past three years has maintained a solid fiscal position. It has been a period marked by responsible management of government spending, with resources allocated based on priorities set by the government from the beginning and within the limits imposed by the foreign resources available.

Government finances have served as a fundamental base for macroeconomic achievements during this period. The reduction in inflation, the halt in the decline of production, and our emergence from stagnation under market conditions combine to show that we are headed in the right direction.

These results were made possible by a fiscal policy which, while assigning priority to social spending and investment, has taken great pains to respect the limits imposed by the need to achieve economic stability. That is why, in sizing up the economic situation, we must seek

a balanced view that will avoid the boasting of some and the gloomy outlook of others.

However, not only has fiscal policy meant benefits for economic stability in short-range terms, but has also laid a solid foundation for the future, the basis for a revival of the economy and sustained growth. This result is possible and within reach, but we must continue and, with the combined efforts of everyone, make it possible.

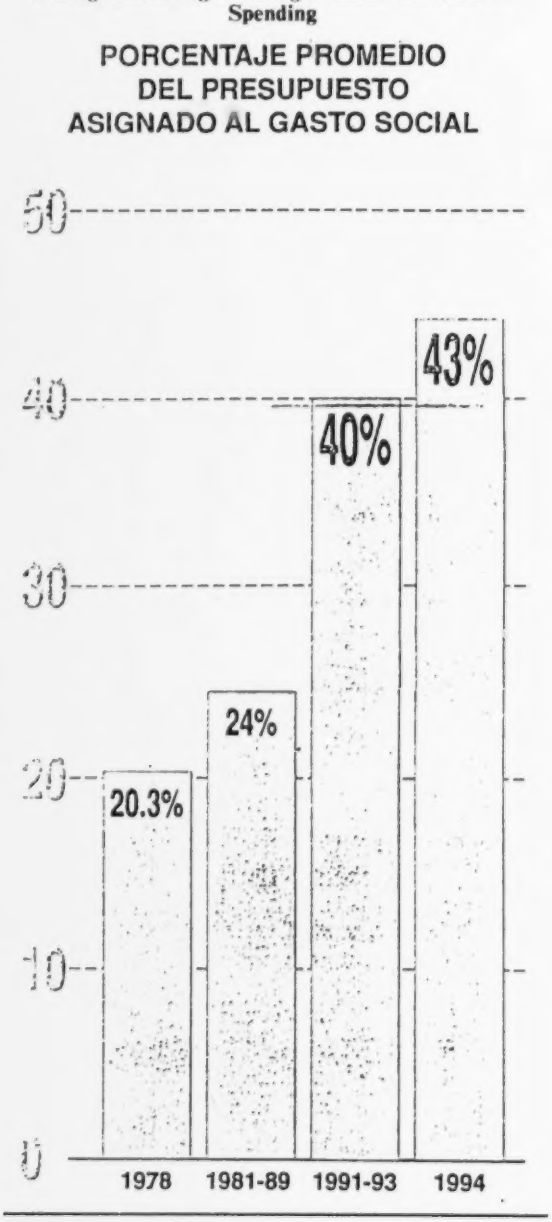
The development strategy promoted by the government has been defined as one of growth with equity. Within this strategy, it is not enough for the economy to grow or for inflation to be brought under control. We were not interested in macroeconomic balances for their own sake, but only in seeing that the latter would make it possible to achieve continuous improvement in the living conditions of the people, particularly the poorest groups.

Nevertheless, independently of the efforts made by the government, the response in the form of economic growth has been very limited for the reasons mentioned. The clear lesson that has emerged from the past three years of stabilization and adjustment is that we all share in the task. We all have a patriotic contribution to make.

Clearly, our future success in the process of growing our economy basically depends on our ability to achieve and maintain a basic consensus in terms of the economy and a policy that emphasizes cooperation over conflict. The experience of successful countries has always been accompanied by these two elements: a shared national vision and a nonconfrontational policy.

The great challenge that we Nicaraguans face is to show the rest of the world that it is indeed possible to move forward in an orderly fashion and resolve the country's social and economic problems, strengthening government finances while simultaneously building a democracy. Let us not miss this opportunity!

Average Percentage of Budget Allocated for Social Spending



Argentina

Menem To Visit Vatican, Be Named Papal Count

PY1612005093 Buenos Aires BUENOS AIRES HERALD in English 15 Dec 93 p 1

[Text] (NA-DYN)—President Carlos Menem left yesterday afternoon for Rome where he will be meeting with Pope John Paul II tomorrow when the creation of "white berets" against world hunger is expected to be a dominant theme.

Menem, who was accompanied by his daughter Zulemita, was seen off at the airport by Senator Eduardo Menem, Presidential Chief of Staff Eduardo Bauza, and Legal and Technical Secretary Carlos Corach. Bauza stayed behind to tackle the misgivings of senators over the reduction of their terms by way of constitutional reform.

Tomorrow Menem is to become the first Argentine head of state ever to be made a papal count, Francisco Trusso, Argentine Ambassador to the Holy See, announced yesterday.

Trusso also said Menem was making the visit as an act of pilgrimage and thanksgiving for his recovery from a carotid artery clot.

Thousands Protest Austerity Law in La Rioja

PY1612011393 Buenos Aires BUENOS AIRES HERALD in English 15 Dec 93 p 11

[Text] (NA-DYN)—The protests in the provinces of La Rioja and Santiago del Estero built up steam yesterday even though just before leaving for Rome, President Carlos Menem denied any intervention in either his native province or anywhere else.

Nevertheless, a double shift of demonstrators yesterday destroyed the shopfront windows of the Menem family winery in La Rioja and obliged the provincial assembly to start studying the possibility of repealing the auterity law passed last week.

Shortly after President Menem's departure, La Rioja Governor Bernabe Arnaudo and his aides flew to Buenos Aires in order to persuade acting President Eduardo Menem and Ministers Domingo Cavallo (economy) and Carlos Ruckauf (interior) that dropping the auterity law was the only alternative to a social upheaval. Arnaudo denied that anybody would be fired.

Up to 7,000 people were demonstrating yesterday against the law, which plans to shed 10,000 public-sector jobs. Once again the demonstration was supported by priests, who quoted late Bishop Enrique Angelelli (a "dirty war" victim) as to "lending one ear to the people and the other to the Bible."

At the same time provincial workers trade union leader Miguel Angel Asis accused Arnaudo of having "his hand shamelessly in the till." Meanwhile two lines of Border Guards protected Government House.

Menem's final pre-departure comment on the situation in his own province was: "Adjustment is in progress, the product of legislation passed by the provincial assembly, because La Rioja cannot go on this way," adding: "We will keep talking, which does not mean yield."

When told that La Rioja Senator Libardo Sanchez had advocated intervention Menem commented that he took this request as "a joke."

In other statements at the press conference, where he shared pizza with journalists, Menem confirmed the appointment of Supreme Court justices Guillermo Lopez, Hector Masnata, and Gustavo Bossert to replace Rodolfo Barra and Mariano Cavagna Martinez, whoe resignations would be accepted upon his return from Italy. Menem also said he would use constitutional reform to expand the number of ministries from eight to 12, including portfolios for science and the environment.

'Hundreds' Take Over Santiago Government House

PY1612185493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1607 GMT 16 Dec 93

[Text] Santiago del Estero, 16 Dec (NA)—The province's Government House and Court Palace were taken over today by hundreds of public servants who protested the adjustment measures ordered by Governor Fernando Lobo, who had to seek refuge, accompanied by his ministers, in the police chief's office.

This morning, after violent clashes in which several people were wounded, two by firearms, the demonstrators overwhelmed the police cordon around Government House. According to reports that could not be confirmed because of the confusion, one or two people died.

After midday, there was total anarchy in downtown Santiago, and the whereabouts of the governor and his ministers remained unknown for more than two hours.

At the courts, the demonstrators threw documents in the street, while others were seen carrying computer equipment.

Meanwhile, in Buenos Aires, Interior Security Secretary Hugo Franco reported that the national government will send Border Police troops to that city to try to control the situation.

In a situation similar to a recent episode in La Rioja, although this time it was more violent, many provincial public servants gathered to protest the adjustment measures ordered by the government.

The servants' annoyance was triggered by a decision to pay the November salaries without including unpaid amounts from the September and October salaries.

The demonstrators overwhelmed the police cordon in front of the Government House gates, threw stones, and sang hostile chants against the adjustment policy and Gov. Fernando Lobo.

The Government House facade reflects the results of the incidents, while the main gate was set on fire in front of the staggered policemen, who were overwhelmed, and three official vehicles also were set on fire in the middle of extreme confusion.

Gov. Lobo and most of the ministers were practically entrenched at the offices of the provincial Finance Ministry inside Government House, but managed to leave the building before it was taken over by the demonstrators.

The Social Action Ministry offices, located in the eastern part of Government House, were burned, while a group of demonstrators went to the local Court Palace building, forming another epicenter of serious incidents.

According to unofficial sources, at the beginning there were approximately 4,000 demonstrators. This figure changed after the incidents and after new groups of Santiago workers joined in.

Provincial health workers union Secretary General Dario Suarez this morning said the serious incidents originated with the people's "annoyance," which appears when "there is manipulation of workers' starvation."

Suarez said provincial unionists are not against the adjustment, although he said it should be implemented gradually. He demanded that "those who are responsible show their faces" because while "there is an attempt to reduce public servants' salaries to less than 200 pesos, lawmakers' salaries remain at 10,000 or 15,000 pesos."

Menem Appoints Trustee

PY1712002993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2116 GMT 16 Dec 93

[Text] Rome, Italy, 16 Dec (NA)—President Carlos Menem announced here today that "instructions have already been given to the officials in charge of the executive power to appoint a federal trustee (in Santiago del Estero Province), who will be Julio Cesar Araoz."

"Araoz has a lot of experience on this matter," said Menem, recalling the work he did in Tucuman.

Menem said that the incidents that took place in Santiago del Estero today "were serious disturbances, but the situation is under control."

He added: "We will act with serenity, but will be inflexible with the agitators involved in the disturbances."

Menem also indicated that "the adjustment plans are absolutely necessary."

He noted: "Sometimes no matter how it hurts, one must take measures and take responsibility for them."

Menem made this announcement during a news conference held in this city a few hours before returning to Buenos Aires.

Camilion: Military Personnel To Receive Increase

PY1512180493 Buenos Aires CLARIN in Spanish 14 Dec 93 p 8

[Text] On 13 December Argentine Defense Minister Oscar Camilion confirmed CLARIN's scoop that active-duty military personnel will receive a salary increase through a mechanism called "individual allowances."

Camilion explained that it has been decided to grant Armed Forces personnel five allowances: a post allowance, a job allowance, a housing allowance, a clothing allowance, and an educational allowance. "Only the pay scale remains to be established," the minister said.

The average increase for Armed Forces civilian personnel and retired military has not been set yet either.

When describing the salary increase for active-duty military personnel, the minister said that "it was not a salary increase" but rather allowances related to specific conditions of service and performance.

Camilion explained that increases will be granted through "individual, not general, allowances" to prevent another wave of lawsuits similar to the ones that retired military officers successfully filed on the grounds that general allowances constitute salary increases to which retired military are also entitled.

According to available information, lawsuits filed by retired military officers over salary increases have cost the state $200 million.

The five allowances will represent a 22-percent increase. Those who collect two or three allowances will get an increase of between 12 and 15 percent per month. Other estimates indicate, however, that the average increase could amount to between 20 and 25 percent.

The minister explained that the money allocated for military wages has been increased by 200 million pesos [$200 million] and it is expected that 315 million pesos will be spent on Armed Forces equipment in 1994.

Economy Minister on 'Successful' Uruguay Round

PY1612152393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0117 GMT 16 Dec 93

[Text] Buenos Aires, 15 Dec (NA)—Economy Minister Domingo Cavallo has said that the Argentine Government describes the culmination of the GATT's Uruguay Round as "successful." He emphasized: "Even though the liberalization of world trade was not achieved, a very important advancement was made toward it."

The minister reported that Argentina considers the results concerning access to markets and the reduction of subsidized exports by the United States, Japan, and the EEC to be "good."

The economy minister focused on the GATT issue during a news conference in which he was joined by Economy Vice Minister Carlos Sanchez; Felipe Sola, the agriculture, livestock, and fishing secretary; and Alejandro Mayoral, the under secretary for sector programming and integration.

Concerning agricultural subsidies, Cavallo made it clear that "they did not approve the reduction we proposed, but what was agreed is important and will have an impact on the prices and the volume of our sales."

Cavallo indicated that the products that benefited are wheat, grains for fodder, meat, and vegetable oils.

Tariff reductions were also approved on cheese, hides, molasses, peanuts, and apple juice.

Cavallo also emphatically described as positive the strengthening of the so-called GATT disciplines which allow for much clearer standards concerning the problems of dumping [preceding word in English] and compensatory tariffs.

Cavallo said: "It was estimated that the implementation of the conclusions of the Uruguay Round will allow a $270-billion expansion of the world market." He added that, at a national level and according to initial estimates, these conclusions will represent a 10 percent increase in trade as of 1994.

Asked if increasing exports of commodities like cheese, peanuts, and apple juice would increase domestic prices, Cavallo did not express any concern. He said: "It is fine if there is a price increase on the domestic market because there will be growing demand for our products abroad." He emphasized: "To export is tantamount to improving the standard of living of our inhabitants."

Commentary Views Reasons for Provincial Crises

PY1612182493 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1702 GMT 15 Dec 93

[Article by "special correspondent" Daniel Naszewski]

[Text] Buenos Aires, 15 Dec (NA)—The crisis in La Rioja Province comes on top of previous crises in many other provinces and reflects a cruel reality: The slim economic chances of many regions in Argentina remain stuck in the past, tied to the production of a single product and a lack of diversified growth.

The harsh argument between the governor of La Rioja and Minister Domingo Cavallo on 14 December at Government House during President Carlos Menem's absence from the country almost crudely revealed the situation of these paternalistic states that for decades generated almost perverse situations in which votes, or a consensus when there was no voting, were "exchanged" for jobs. In these states unemployment benefits were concealed within the subsidy obtained through the creation of an unnecessary number of public posts. This was precisely what sparked the crisis in La Rioja, although it is really the consequence of an unsuccessful private sector unable to absorb the labor force.

Another element of the problem is the urgent need to settle the national and provincial public accounts as part of the country's structural adjustment. By just looking at a few figures, one can understand the situation and how this element is crucial for consolidating stability.

The fiscal income the provinces will obtain in 1994 is estimated at around 21 billion pesos—more than 50 percent of what the national government will have according to the 1994 draft budget. This shows the significant level of resources the provinces handle. More interesting yet is the fact that two thirds of the money the provinces will spend does not come from regional tax collection but from the transfer of funds from the central government. Of the aforementioned 21 billion pesos, 13.5 billion pesos will be provided by the central government while only 7.4 billion pesos will be generated by regional tax collection.

Analysis of these figures reveals truly alarming situations: Santiago del Estero Province, for example, will only collect within its jurisdiction 10 percent of what it will spend, the remaining 90 percent will come from the central government. La Rioja's case is almost identical but the most alarming is Formosa: This province in 1992 collected only 7.4 percent of its total income, while the remaining 92.6 percent came from the central government. Catamarca, Chaco, Corrientes, San Luis, and San Juan only manage to collect between 10 and 20 percent of their total income. This reveals that they strongly depend on resources from the central government.

On the other hand there are the "rich" provinces like Buenos Aires, Cordoba, and Santa Fe which receive about 50 percent of its resources from the government while the other 50 percent come from tax collection. As can be seen, there are very different situations, although the diagnosis is quite clear: The provinces that are in a better economic situation are able to collect a larger portion of their income, while the provinces with a scarce development and the lack of a modern organization—not necessarily poor or anything of the sort—strongly and dangerously depend of the transfer of funds by the Economy Ministry within the framework of the law on the Appropriation of Federal Funds for Provinces.

The crisis in La Rioja is just another example of the long chain of provincial crises that have taken place over the past years. The economic team is in a tight spot due to these developments. The figures involved reveal that the provinces as a whole receive a good chunk of the "total" revenues collected throughout the country. These

regions must, within their possibilities, make the necessary adjustments to their expenditures and to their incomes in order to enjoy greater autonomy—which has been hard to attain so far for various reasons. The first is merely economic: the scarce development in several of these regions. The second reason is political: in many cases there has not been the necessary interest in ending redundancy in the provincial public sector since this has been used to repay favors. And lastly, some provincial governments—not all of them—have avoided the need to adjust, reconvert, and modernize the local tax collection system which could help them close the gap between income and expenditures. Funnily enough, charging less taxes is a way of gaining votes.

Within this context, and in view of the magnitude of the problem that has already started to seriously affect the global equilibrium of the plan, the economic teams seems determined to become tougher. The Fiscal Pact currently being debated is only the beginning—there will be more.

Government Closes Consulate in Genoa

PY1612125993 Buenos Aires LA PRENSA in Spanish 14 Dec 93 p 6

[Excerpt] The Argentine Embassy has released an official report that indicates that the Argentine consulate in Genoa, one of the four that was in operation in Italy until now, has been closed.

Ambassador Carlos Keller Sarmiento explained to TELAM that the decision is frameworked within the policy of curbing public expenditures and the rationalization of resources that the country is undertaking. [passage omitted]

Brazil

President Supports Reinstatement of Public Servants

PY1512162793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Dec 93 p 1

[Text] On 10 December Brazilian President Itamar Franco made it clear that he will not veto the bill proposing the reinstatement of public servants fired during the Collor administration. Franco said that only those fired unjustly will be reinstated. Finance Minister Fernando Henrique Cardoso stated that there are funds to reinstate only 10,000 to 15,000 public servants. "I am in favor of the veto because the government does not have the money to reinstate them all," the minister said.

Cardoso Interviewed on Mercosur Timetable

PY1512225493 Buenos Aires CLARIN in Spanish 12 Dec 93 p 23

[Interview with Finance Minister Fernando Henrique Cardoso by unidentified "special correspondent" in Sao Paulo—no date given]

[Text] [CLARIN] Is there any chance Brazil will agree to postpone the Mercosur [Common Market of the South] deadlines?

[Cardoso] It would be best not to alter them. We still have some problems related to capital goods and informatics. Argentina has problems with textile and iron and steel products. There are problems but we must seek mechanisms to make Mercosur a reality. If right from the beginning we had not been so ambitious as to aspire to a common market in a short period of time, things would have been easier. But I hope that now that we are engaged in this process we will do our utmost to conclude it successfully. The two governments are enthusiastic but we must be realistic: We must not set deadlines we cannot meet. We are making a great effort to overcome the differences but the most difficult phase is yet to come: We must define a series of common commercial aspects, as well as others like variations of the exchange rate. There are still a series of mechanisms which are not quite clear. Without them it will be hard to merge.

[CLARIN] Does this mean you are not certain Mercosur will be established by 1995?

[Cardoso] Yes I am. I think we will make it by then due to the measures we are implementing.

[CLARIN] How about the Common External Tariff? Will it be defined this year?

[Cardoso] I think so. The problem lies in a few tariffs. On 22 December there will be a meeting to prepare the one in January (a summit of the presidents and ministers of the southern bloc). We have time until then to reach a positive agreement. The main thing is that there is political will, in Brazil as well as in Argentina.

[CLARIN] How important is Mercosur to Brazil?

[Cardoso] It will broaden our market and, with this, we can obtain greater advantages comparatively speaking. Together we have greater possibilities to negotiate with NAFTA (the United States, Canada, and Mexico bloc), and this will broaden the markets. I do not regard Mercosur as a way of isolating ourselves, but rather as a formula so that together we may open more space for our countries.

[CLARIN] Will this prevent political isolation?

[Cardoso] Probably. In the world of today, without Mercosur, I think we could become politically and economically isolated. Mercosur is probably more important to Argentina than to Brazil.

[CLARIN] Why?

[Cardoso] Due to the market it will open. But that, of course, is not enough. Our countries need mega-markets. In that sense Mercosur will be a great help.

Argentina Grants Preference for Certain Exports

PY1712013993 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Dec 93 p 1

[Article by Maria Helena Tachinardi from Brasilia]

[Text] Argentina has decided to grant a 10 percent preference to capital goods and informatics products imported from Brazil beginning 1 January 1995. Argentina is thus complying with a request from the Brazilian Government, which called for a reposition of part of the preferences lost in the negotiations for a common external tariff for the Common Market of the South [Mercosur].

This data, reported by official Argentine sources, was confirmed by Foreign Minister Celso Amorim on the night of 12 December.

He noted that the 10 percent preference "was established in an indicative manner," and that Brazil sees this offer as "something positive." Brazilian industry, however, must be heard from on the issue, as must the other two Mercosur partners, Paraguay and Uruguay.

Argentine officials clarified that the 10 percent preference will be granted through a discount in the import tariff or a "monetary reimbursement." In the opinion of the Argentine diplomatic sources, this measure will make Brazilian exporters competitive.

This accord, which was agreed upon in the meeting held by officials of the two countries in Sao Paulo on 10 December, will be confirmed and made official when Winston Fritsch, economic policy secretary of the Brazilian Finance Ministry, and Argentine Deputy Economy Minister Carlos Sanchez meet in Buenos Aires on 20 and 21 December.

The agreement between the two countries will be announced by mid-January during the Common Market Group meeting and the Mercosur presidents' summit. The common external tariff negotiation has been practically closed with the accord reached between the two countries. It is, therefore, established that only in 2001 will there be a common external tariff for informatics and capital goods. There is already an agreement among the four countries about the common external tariff to be used for 85 percent of the traded products, which are included in the 0 to 20 percent tariff strip.

Brazil and Argentina must now reach an agreement with Paraguay and Uruguay with regard to these two special products. In accordance with the terms of the agreement Argentina, which exports capital goods to Brazil, would also have the right to a 10 percent preference.

Commission To Settle Trade Disputes With Argentina

PY1612175593 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Dec 93 Section 1 p 5

[Text] On 10 December the finance and foreign relations ministers of Brazil and Argentina announced the formation of a bilateral economic and commercial commission. The commission will settle the main economic conflicts between the two countries like tariff issues and "dumping" [preceding word in English] charges. The first meeting, which will include the two countries' finance and foreign relations vice ministers, will be held on 22 December.

The commission's formation was decided on after a day of meetings in Sao Paulo between governmental officials from the two countries and various group discussions between entrepreneurs. Nowadays, the main trade problems between Argentina and Brazil involve the fields of information science and capital goods.

Foreign Minister Celso Amorim said: "Trade between the two countries has adjustment problems that we intend to solve." According to the foreign minister, trade between the two countries totalled $1.5 billion four years ago and now totals $6 billion.

Argentine Economy Minister Domingo Cavallo said his country intends to have a common foreign policy with Brazil. He denied Argentina is assigning priority to NAFTA, as claimed by Deputy Jose Serra (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo State] in an article published on 10 December in FOLHA DE SAO PAULO.

Economic Integration Efforts With Argentina Viewed

PY1612200193 Sao Paulo GAZETA MERCANTIL in Portuguese 11-13 Dec pp 1, 3

[Article by Cynthia Malta]

[Text] Brazil and Argentina have frequently exchanged recriminations within Mercosur [Common Market of the South], of which Uruguay and Paraguay are also members.

Brazilian entrepreneurs and the Brazilian Government have complained about the new rules that Argentina has adopted to protect its domestic industry from the competition of Brazilian products.

On the Argentine side criticism has centered around instability in Brazil as the main obstacle for harmonization of the macroeconomic policies of Mercosur members.

In order to tackle those problems, the economy ministers of Brazil and Argentina, Fernando Henrique Cardoso and Domingo Cavallo respectively, and the foreign ministers, Celso Amorim and Guido Di Tella, met in Sao

Paulo on 10 December to create a bilateral commission. In addition to fostering integration, the commission will seek to overcome the commercial conflicts between the two countries, in order to avoid the imposition of sanctions.

Amorim has recently noted that the proliferation of Argentine commercial sanctions against Brazil has led the two countries to a crucial point: They have to decide whether to form a common market in which conflicts are internally solved, or a free trade zone whose problems are solved within the General Agreement on Tariffs and Trade (GATT).

The proposal to create a commission, which was raised by the Buenos Aires delegation, seems to indicate that the option of a common market has been favored. "Relations should be like those of France and Germany, which negotiate through an internal commission," Amorim said.

In Brazil there is some displeasure with the statements that Argentine authorities, especially Minister Cavallo, have made about Mercosur. For example, in Miami on 9 December Cavallo said that Mercosur is the preferable path by which Argentina might join the North American Free Trade Agreement (NAFTA, which is made up of the United States, Mexico, and Canada). Yet he added that Argentina might decide to negotiate by itself.

However, in Sao Paulo on 10 December Cavallo softened his position by saying that Mercosur is the Menem government's priority, and that an eventual integration with NAFTA should be made in partnership with Brazil, Paraguay, and Uruguay.

Cavallo said the Brazilian market is essential for increasing Argentine exports, and that "if Brazil recovers its capacity to grow, it will become an important market for any region of the world."

This is not the first time that the Argentine Government has promised the Brazilian Government to negotiate over commercial problems before imposing restrictive measures. A few months ago an informal mechanism for bilateral consultation was created in an attempt to avoid the proliferation of sanctions, which accelerated at the beginning of the year when Argentina eliminated tariffs on capital goods imports, neutralizing the advantage that Brazil had. This mechanism, however, proved to be insufficient.

On 10 December Brazilian entrepreneurs said that Argentina was obstructing purchases of Brazilian pork on the grounds that it was contaminated by foot-and-mouth disease. Last Friday, trucks were not allowed to cross the border. "There is also foot-and-mouth disease in Argentina, but this did not make Sadia stop buying Argentine beef. We only avoided purchases from the infected area," Fontana said.

For some sectors, like those of capital goods and data processing, however, it also seems to be difficult to reach harmony. Argentina, along with Paraguay and Uruguay, wants to maintain free importation, while Brazil advocates a tariff of approximately 20 percent, which would be the common external tariff ceiling of Mercosur, which is scheduled to begin operating in January 1995.

Argentine Industrial Union President Jorge Blanco Villegas has told this newspaper that a solution might be to set import quotas for sectors that should be protected in each country, "until Mercosur macroeconomic policies are harmonized."

Amorim said the ministers did not debate on that proposal, but he noted that "the mechanism of quotas can obviously be adopted if there are tariff discrepancies in January 1995, and the capital goods sector might be one of the areas for consideration."

On 22 December in Buenos Aires, economic and diplomatic representatives of the two countries will meet again to work on this plan to settle conflicts and pave the way for consolidating the economic integration process. At the commission created on Friday, Brazil will be represented by Economic Policy Secretary Winston Fritsch and by diplomat Jose Arthur Denot Medeiros.

Suspension of Collor's Political Rights Confirmed

PY1712000793 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 16 Dec 93

[Text] The political rights of former President Fernando Collor have been suspended for eight years. Three justices of the Court of Appeals confirmed the decision made by the Senate.

The voting by the justices of the Supreme Court had ended in a tie. Therefore, three justices of the Court of Appeals, William Patterson, Torreao Bras, and Jose Dantas were appointed to conclude this case, and they voted against the former president.

Former President Collor will not be able to be elected to public office until 30 December of the year 2000. The Senate decision of 30 December 1992 was confirmed today with the votes of Justices William Patterson, Torreao Bras, and Jose Dantas of the Court of Appeals, who were appointed by the Supreme Court to break the four to four tie vote of last week. The three Court of Appeals justices unanimously rejected the appeal made by Collor. The appeal was denied by the majority of seven to four, adding the votes of Supreme Court Justices Carlos Velloso, Sepulveda Pertence, Paulo Brossard, and Neri da Silveira.

Former Supreme Court President Sydney Sanches, who presided over Collor's impeachment process in the Senate, said the court decision was juridical. He evaluated the decision:

[Begin Sanches recording] What counts is not the case in itself, but the lesson that in a political forum the decision is political, and in a juridical forum the decision is juridical. [end recording]

For Saulo Ramos, the lawyer for the Senate, the decision was wise. Fernando Collor's lawyer Fernando Neves said that the Supreme Court decision cannot be commented on, it is either obeyed or appealed. He explained that only after the decision is published next February will the lawyers for the former president study the possibility of resorting to the Supreme Court again.

Administration Minister Interviewed

PY1512110093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Dec 93 p A6

[Interview With Administration Minister Romildo Canhim, a reserve general, by Joao Bosco Rabello and Vannildo Mendes in Brasilia; date not given]

[Text] [O ESTADO] How do you assess the Brazilian state and the moral havoc our country is experiencing?

[Canhim] The Brazilian state has been experiencing a decomposition process for some time already. This decomposition already has gone through the most acute phase within the Executive Branch. Now this decomposition is peaking within the Legislative Branch, and people are feeling the initial turmoil within the Judicial Branch, where it is also necessary to remove the tumors. It is a fairly healthy—and absolutely necessary—process. Now we are no longer compromising, administering palliative and ineffective remedies for a wound to alleviate pain.

We now are definitely tackling the corruption problem. The results will be highly positive for the state's reorganization. I am certain the state will recover its role, even its ethical role before the nation. The state is not bankrupt nor liquidated. It has suffered a worrisome deterioration process. Precisely because of this, this is the crucial moment for its recomposition. This is what we are working for.

[O ESTADO] Do you intend to investigate the projects under suspicion to detect irregularities?

[Canhim] I intend to do so and already have arranged with the Army minister to carry out these studies. The studies will be carried out by military engineers. This already has been arranged and the minister has placed the Construction Engineering Battalion at my disposal.

[O ESTADO] Will the military engineers look at the budget, see what the funds were allocated for, and then establish whether or not the projects were carried out?

[Canhim] That is right.

[O ESTADO] Will there be an investigation of all public projects?

[Canhim] I think the number of charges we will receive will be so huge that we will not even need to carry out an investigation to find irregularities. We are going to start off by investigating the charges received so far. If there are no charges, we are going to take a look at the budget to find where the corruption chain starts. But so much already has been uncovered, especially by the Congressional Investigating Committee, that by just investigating what has been found so far we do not even need to look at the budget to find cases of corruption.

[O ESTADO] But how will the operation be carried out? Have you already arranged everything with the Armed Forces?

[Canhim] Not yet. I have only discussed this with the minister. We talked about the power I have and the support I need. He has placed everything I need at my disposal. He also has offered to help me with reserve military officers if I need them. He has even offered help in the investigations. But, specifically, he has promised full support to investigate the projects, which is a very conscientious job for which I will need military engineers.

[O ESTADO] Does this mean that the Army is swapping rhetoric for concrete support in the Clean Hands Operation in Brazil?

[Canhim] That is right. They will cooperate with concrete actions. This is what the Army minister has promised.

[O ESTADO] This also guarantees institutional order in Brazil.

[Canhim] That is right. That is fantastic. I want to see if I can even include a reserve general in this commission—the difficulty is who to choose. I want a reserve general who is available and is perfectly acquainted with public administration. This will be great support for the commission.

[O ESTADO] Especially because reserve officers are very dissatisfied, right?

[Canhim] The purpose is not to appease reserve officers. The thing is that I know that having a reserve officer will give the commission prestige with the citizenry.

[O ESTADO] Have you thought of any names yet?

[Canhim] I have several in mind but I am still consulting. The truth is that when I phone a comrade-in-arms to discuss the subject, and when he realizes the magnitude of the problem, he sort of hesitates and consults his family. I am not going to disclose any names because I still want to talk to the Army minister again before making my proposals.

[O ESTADO] Could you at least define the profile of your candidate; will he be a hard-line general?

[Canhim] No, no, no. It has to be a well-balanced person. That type of solution does not exist. It has to be a well-balanced, democratic person, someone who already has served in the public administration, who is acquainted with administrative work.

[O ESTADO] A former president of the Republic?

[Canhim] No.

[O ESTADO] What about his past?

[Canhim] Someone with a clean past.

[O ESTADO] Have you discussed this subject with other military ministers?

[Canhim] No. Only with the Army minister because the commission was created only recently. But, naturally, I am going to raise the subject with all of them.

[O ESTADO] Where and how is the commission going to function?

[Canhim] I have already chosen some public servants to set up the office where the commission will function. I want to set up the main office, where the work is more confidential, at Planalto Palace. That will be the main office and the operations base will be outside Planalto. The thing is that we do not know how much this commission will grow.

[O ESTADO] You are aware that the main office will unavoidably be called the headquarters aren't you?

[Canhim] That is right, that is a good name; it is a strong name.

[O ESTADO] Can the Army contribute with other elements, in addition to the Engineering Battalion and the reserve general, to moralize the country?

[Canhim] It also has fantastic human resources spread everywhere.

[O ESTADO] Could you give us your opinion on the military chiefs' demonstration in favor of an all-out war against corruption in Brazil?

[Canhim] I believe their demonstration was important. In the first place, because it was moderate and the military must behave moderately. It represents a significant warning because comments by a military minister have a lot of weight.

[O ESTADO] Is President Franco going to closely follow the work carried out by the commission?

[Canhim] President Franco will be the person to follow this process. Every three months or whenever necessary, according to his decree, I will submit a report directly to the president. This commission will be picked by him and will remain subject to him.

[O ESTADO] Do you foresee the possibility of using the experience of individuals who have worked in the intelligence field, especially in the dismantled SNI [National Intelligence Service], to help you in the commission?

[Canhim] No. I do not intend to seek the help of people from the intelligence field because people from this field are more inclined to investigations of an ideological nature. And there is none of that here.

[O ESTADO] But the dismantled intelligence groups are currently being reorganized in view of the modern state's need for an intelligence service. Do you think there is a chance of using them somehow?

[Canhim] We cannot tread on this line. They belong to another area and we are not going to get involved with it. If we have individuals with experience in the intelligence area who revealed balanced behavior while doing that job, they will be very valuable due to their knowledge and experience.

[O ESTADO] When you talk about balanced behavior do you mean not involved in the dirty war of the past?

[Canhim] That is right. An individual who, when appointed, cannot be charged by the media with a hidden past. A person whose behavior will not discredit him. We have a lot of balanced people who have done that job and have gone unnoticed. Intelligent people. Precisely the most radical ones are the ones who became famous. But there are a lot of well-balanced people who worked in this field.

Document Confirms Political Killings in 1970's

PY1512231693 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Dec 93 Section 1 p 17

[Article by Mario Simas Filho]

[Text] A Navy Ministry's confidential document, submitted to Justice Minister Mauricio Correa, indicates that many people who had been reported as missing for political reasons were killed a few months after they were arrested by the military regime's repression organizations.

The document, to which FOLHA DE SAO PAULO has had access, indicates that the Navy had information on the CIA's possible involvement in the political repression in Brazil, and that Brazilian military officers even made arrests in Argentina.

Most of the information concerns PC do B [Communist Party of Brazil] militants who chose to carry out guerrilla warfare in Araguaia in the early 1970's. The Navy's information complements a report drawn up by the PC do B in 1974. According to Deputy Nilmario Miranda (PT-MG) [Workers Party-Minas Gerais State], the External Commission for Persons Missing on Political Grounds [Commissao Externa dos Desaparecidos Politicos] chairman, the most complete dossier on the Araguaia guerrilla so far was drawn up by Angelo Arroio, a former PC do B militant killed in Sao Paulo in a clash with the Army in 1975. Arroio was in Araguaia until 1974, and drew up a detailed report on the guerrilla that was delivered to the PC do B Central Committee.

According to Arroio's report, Daniel Ribeiro Calado, along with a group of guerrillas, was arrested in an ambush on 25 December 1973. Afterwards, Calado was

never seen again. The Navy's document indicates that Calado died on 29 June 1974, six months after his arrest.

The Navy's records indicate that in the so-called "Christmas Group" (arrested on Christmas day 1973), there are many cases similar to that of Calado. According to the Navy, Antonio Theodoro de Castro died on 27 February 1974. The same happened with Cilon da Cunha Bruno. According to the Navy, Jose Humberto Bronca was killed on 15 March 1974.

Besides the group run on 25 December 1973, there are other similar cases. There is that concerning Adriano Fonseca Fernades Filho, a student, who was taken into custody by military personnel on the evening of 28-29 November 1973. According to Navy archives he died on 3 December 1973.

"This indicates that Adriano Fonseca was arrested and killed some days later," stated Deputy Miranda. He went on to say that "that document provides the answer to the suspicions relatives of missing persons on political grounds have had for decades."

The document was sent to Mauricio Correa by the Navy minister, Admiral Ivan da Silveira Serpa, last 5 February. It was sent in response to an inquiry made by Correa about 144 names of people reported missing on political grounds, requesting that their cases be delved into in the Army, Navy, and Aeronautics archives.

The Navy archives hint at possible intervention by the CIA in Brazil during the military regime.

The following statement is included in the document, below the name of Ana Rosa Kucinski Silva: "It has been put on record that she is missing, and that she was allegedly removed from circulation by the CIA, which knew about her militancy in leftist organizations in Brazil and her work for Israel (it has been recorded that her brother, Bernardo Kucinski, provided Israel with information about Brazilian nuclear technology, thus rounding off his sister's work)."

The document leads one to conclude that Ms. Kucinski was killed following her arrest. It states that she "has been missing since 22 April 1974 together with her husband, Wilson Silva." Below the name of Wilson Silva, the document reports the following: "Arrested in Sao Paulo on 22 April 1974."

Another striking disclosure of the Navy's confidential report is that the Brazilian military arrested some of its members in Buenos Aires, thanks to the help of the Argentine Army. Below the name of Edmur Pericles Camargo, the document records that he was "taken into custody by Brazilian and Argentine authorities in 1975 when the plane landed in Buenos Aires." The flight was bound for Uruguay from Chile.

The suspicion harbored by relatives of missing persons on political grounds that the Franco da Rocha (SP) [Sao Paulo] mental home was used as a makeshift cemetery is underpinned by the Navy's report. Below the name of David Capistrano da Costa, the following has been written: "He was arrested at Franco da Rocha's outpatient facility."

Uruguay Round Negotiations Examined

PY1612190093 Sao Paulo GAZETA MERCANTIL in Portuguese 14 Dec 93 p 1, 7

[Article by Celso Pinto de Genebra]

[Text] Brazil has received offers in excess of 40 percent to reduce the tariffs imposed by importers on Brazilian industrial products. This happened during the negotiation of the Uruguay Round of GATT. The country will probably benefit as a whole, particularly in its exports of steel, aluminum, paper, and timber if the Round concludes positively tomorrow, which will be a crucial day.

Early yesterday evening Luiz Felipe Lampreia, the Brazilian ambassador to the GATT talks, said the Round was still experiencing a "considerable crisis" with five important questions still unresolved. The final result, from the Brazilian viewpoint, depends on the conclusion of the overall negotiation. The offers to Brazil are conditional, that is, they will only be confirmed at the end of the negotiation.

Lampreia said the area where the country will probably benefit most is the tariff reduction on exports of industrial products. From a broader perspective, however, the greatest benefit will result from the eventual establishment of multilateral rules to regulate trade disputes, which will prevent excessive trade protection legislation in countries such as the United States.

So far the most generous offers received by Brazil on its industrial exports are 50 percent and 45 percent tariff reductions on the importation of industrial products by Japan and the European Union (EU), respectively. The United States' offers will mean a 23 percent tariff reduction on the importation of those products. In the case of agricultural products the concessions are much less generous.

The GATT negotiating process calls for each concessionary offer to be matched by a corresponding offer by the beneficiary. Lampreia said that because Brazil has already reduced its average tariffs on imports from 55 percent in 1989 to 14.3 percent in June of this year we do not need to make any specific concession in terms of additional tariffs reductions to honor the offers placed on the table. All Brazilian offers had the common consent of the other Mercosur [Common Market of the South] member countries. Brazil will also benefit from offers by developed countries to eliminate tariffs on the importation of various products such as steel, aluminum, paper, non-ferrous products, and toys.

Brazil had offered to eliminate all tariffs on the importation of two products: steel and oil seeds. In both cases the offer was conditional on the conclusion of a multilateral agreement on steel and a significant reduction of

subsidies on European agricultural exports. Lampreia said that neither of these conditions will probably be met by the end of the negotiation schedule and, consequently, the Brazilian offer will be withdrawn.

Brazil will probably profit as an exporter of industrial products but will have to make concessions on its services market. Lampreia said Brazil began opening the area of services voluntarily a few years ago. Brazil made an offer in the area of telecommunications, but not including the cellular telephone system, to eliminate non-tariff barriers. This market is worth a total of $1 billion.

Brazil should not see any changes in the area of financial services. The United States has persisted in opening its market only to countries that offer total reciprocity. Brazil did not accept that because it beleives the condition runs contrary to the principle of GATT's most favored nation in establishing that a concession made to one country must be extended to all member countries. This is why Brazil will not make any specific offer in the area of financial services. We do not have the power to prevent the Americans from maintaining their offer, but Brazilians will not make any specific offer on their own. Lampreia thinks it is "doubtful" there will be agreement in the financial area. It is possible that financial services will be left out of a final GATT agreement following the example of maritime services which will be left out due to the impossibility of reaching a consensus.

The final solution reached early yesterday morning on the very important topic of anti-"dumping" [preceding word in English] measures is far from ideal for Brazil and other developing countries. The United States presented 11 amendments to the proposal to place anti-"dumping" legislation under multilateral control. Eight of those amendments were subsequently approved, some of them rewritten and softened during the negotiation.

Lampreia recalls that one of the most harmful amendments was left out. This would have permitted the imposition of economic reprisals against a finished product if one or some of its components were considered to have "dumping" prices. In any case, the Americans will maintain a good part of the power to impose economic reprisals based on internal "dumping" allegations according to national courts—a camouflaged form of protectionism in the opinion of some developing countries. Brazil was involved in 10 percent of all anti-"dumping" cases in the United States. The solution reached is far from ideal but the general opinion is that it would be impossible to suddenly attempt to undermine the power of a country like the United States to adopt its own legislation against trade practices it considers unfair.

The same pragmatic approach marks the agreement in the agricultural area. Lampreia claims the formula approved last week dilutes even more the reduction of Europe's agricultural subsidies as provided for in the so-called Blair House Agreement. The cut in subsidies on agricultural products will remain at 21 percent but over a longer period. Lampreia said that there is practically no way to win in the agricultural area. "Only what affected their (United States and Europe) interests was included. [no closing quotation marks as published].

In any case there is one positive aspect: For the first time agricultural items have been included in the GATT agenda.

From the point of view of a country whose exports are diversified and divided in different markets, any progress in the direction of multilateral trade rules can be considered positive.

This is why Brazil will continues to lobby for a positive conclusion to the negotiations until the night of 15 December, the crucial date for the conclusion of the Uruguay Round of GATT talks that started seven years ago.

Chile

Ministry Releases Names of More Elected Deputies

PY1712124193

[Editorial Report] Santiago EL MERCURIO in Spanish on 14 December publishes on page C2 a 1,400-word list of deputies—including the elected ones—which was released by the Interior Ministry. The list of elected deputies is as follows:

District 16. Colina Pudahuel, Quilicura: Patricio Melero, Independent Democratic Union, UDI; Zarko Luksic, Christian Democratic Party, PDC.

District 17. Conchali, Huechuraba, Renca: Maria Saa, Parties for Democracy, PPD; Ramon Elizalde, PDC.

District 18. Cerro Navia, Quinta Normal: Ignacio Balbotin, PDC; Guido Girardi, PPD.

District 19. Recoleta, Independencia: Cristian Leay, UDI; Mario Hamuy, PDC.

District 20. Estacion Central, Maipu: Angel Fantuzzi, National Renewal Party, RN; Carlos Dupre, PDC.

District 21. Providencia, Nunoa: Alberto Espina, RN; G. Martinez, PDC.

District 22. Santiago: Alberto Cardemil, RN; Jorge Schaulsohn, PPD.

District 23. La Condes, Vitacura: Carlos Bombal UDI; Andres Allamand, RN.

District 24. La Reina, Penalolen: Maria Angelica Cristi, RN; J. Tomas Jocelyn-Holt, PDC.

District 25. Macul, La Granja, San Joaquin: Jaime Orpis, UDI; Andres Palma, PDC.

District 26. La Florida: Mariana Aylwin, PDC; Carlos Montes, Socialist Party, PS.

District 27. El Bosque, La Cisterna: Ivan Moreira, UDI; Camilo Escalona, PS.

District 28. San Miguel, Lo Espejo: Dario Paya, UDI; Rodolfo Seguel, PDC.

District 29. La Pinta, Puente Alto: Maximiano Errazuriz, RN; Jaime Estevez, PS.

District 30. San Bernardo, Buin, Paine: Pablo Longueira, UDI; Andres Aylwin, PDC.

Foreign Minister Discusses Ties With Spain

PY1612130193 Santiago Radio Cooperativa Network in Spanish 1000 GMT 16 Dec 93

[Text] Foreign Minister Enrique Silva Cimma expressed his satisfaction over Spanish Ambassador Pedro Bermejo's return to our country.

The foreign minister returned to our country after participating in a meeting of the Group of 15, a regional group that advocates North-South talks in terms of broad agreements.

Concerning the return of Spanish Ambassador Pedro Bermejo, Silva Cimma said:

[Begin recording] [Silva Cimma] I didn't know about it. I am happy because this means that Spain understands that the Chilean Government has acted with great efficiency.

According to the information I have received, I understand that during my absence the petition that I filed with the Supreme Court was approved. This represented a dramatic change in the vote pattern, as I had foreseen. You may remember that I told journalists that I would not give more information than they are giving us: to jointly celebrate Mr. [name indistinct] decision.

And now I have been informed that Judge [Marcos] Libedinsky has already begun to act. Therefore, we believe that he will become fully engaged in matters that concern him.

[Unidentified reporter] And then what would be the status of our relations with Spain, Minister?

[Silva Cimma] Well, our relations with Spain will obviously tend to be enhanced and formalized. And after this incident, which, fortunately, was very ... [words indistinct] [end recording, in progress]

Concerning another issue, namely the results of the Uruguay Round, the foreign minister said it will be necessary to wait for the definitions that must take place between the negotiators.

The foreign minister also believes President-elect Eduardo Frei's first trip abroad will be to New Delhi, India, where a Group of 15 summit will take place in April.

The foreign minister has just returned from India where he participated in a meeting of Group of 15 foreign ministers. The Group of 15 is a South-South mechanism of accord that includes the most influential countries of Latin America, Africa, and Asia.

Praises GATT Agreement

PY1712123493 Santiago Radio Cooperativa Network in Spanish 2200 GMT 16 Dec 93

[Text] Foreign Minister Enrique Silva Cimma has said that the agreements worked out between the 12 EC countries and the United States within the framework of GATT represent a step toward eliminating protectionist practices.

The minister said the trend of implementing protectionist practices is gradually withdrawing. Silva Cimma cited the efforts of French Government during the GATT negotiation. He added that even though French agriculture seemed to be affected, the French representatives made every effort to continue negotiating. Asked about GATT and our national interests Silva Cimma said:

[Begin recording] [Unidentified reporter] How does the agreement affect our country?

[Silva Cimma] That is a good question. I think it is very important for our entrepreneurs to carefully consider our exports and ensure that freedom of trade is not obstructed as a consequence of the race to see who comes out first or who beats whom. Then we have [words indistinct] as in the case of apples, which in theory can now affect our wine trade. I have instructed our officials who deal with entrepreneurial organizations to warn entrepreneurs about this. [end recording]

The minister said there is an excessive supply of wine in the largest markets. This product is one of [words indistinct] Chilean exports.

He added that in the coming weeks the ministry will send a memo to more than 80 ambassadors requesting their resignations. The minister added that the practice is routine and according to the Constitution and it is used when there is a change in government because the position of ambassador is one of trust and an exclusive prerogative of the president of the Republic.

Deputies Pass Reform To Reduce President's Term

PY1612123293 Santiago Radio Cooperativa Network in Spanish 2200 GMT 15 Dec 93

[Report by Javier Galan from Valparaiso]

[Excerpts] After a lengthy debate during which, paradoxically, the objections far outstripped favorable opinions, the Chamber of Deputies passed the constitutional reform that had been voted through in the Senate on 14 December providing for the shortening of the president's

term of office to six years. The constitutional amendment was carried by 86 votes in favor, two against, and seven abstentions following changes made to the electronic voting system. The two dissenting votes were cast by UDI [Independent Democratic Union] Deputy Jorge Ulloa and National Renewal Party Deputy Federico Mekis. The seven abstentions were from the National Renewal Party.

During the debate, the Chamber of Deputies president, Socialist Jose Antonio Viera-Gallo, termed the agreement on the reduction of the presidential term to six years instrumental. Christian Democratic Party members, for their part, pointed out that President-elect Eduardo Frei's will was the main reason that prompted them to vote for the constitutional reform. [passage omitted]

The minister secretary general of the presidency, Edgardo Boeninger, stated that the government continues to be of the opinion that the best formula was a four-year term with no reelection, but that it endorsed the consensus reached to shorten the president's term to six years given the fact that the best solution was at odds with what was appropriate. [passage omitted]

The constitutional reform that stipulates the president's term of office will be shortened to six years will have to be ratified by a plenary session of Congress within 60 days.

MIR Members Try To Infiltrate Rodriguez Autonomous Front

PY1612143193 Santiago LA TERCERA DE LA HORA in Spanish 2 Dec 93 p 3

[Excerpt] It has been learned from police intelligence sources that the Movement of the Revolutionary Left [MIR] members who participated in another "comeback operation" and entered the country clandestinely are now trying to infiltrate the Autonomous Manuel Rodriguez Front (FMRA).

It also has been established that MIR member Jose Hector Aguilera Suazo, who was killed by Carabineros in La Pintana district during a shootout in which Corporal Manuel Olivos was seriously wounded, participated abroad in several courses in guerrillas activities and that he also participated in combat operations, mainly in Cuba, Nicaragua, and Angola.

The individual's dossier, which is in the hands of the police, reveals that after leaving the country in 1984, having been involved in the attack in which General Carol Urzua, mayor of the Metropolitan Region, lost his life, and after a prolonged asylum in the Apostolic Nunciature, he returned clandestinely to Chile.

Aguilera Suazo apparently had the intention of participating in the FMRA's revolutionary task, and it is presumed that he occupied a post in the guerrilla leadership. [passage omitted]

Firebombs Explode in Santiago Mall

PY1612205793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 16 Dec 93

[Text] The explosion of two firebombs in the Alto Las Condes mall in Santiago late yesterday evening caused great concern. The bombs had gone off before the time set for their explosion, allowing the fires to be put out quickly.

The incident occurred at 2230 yesterday, when two bombs exploded almost simultaneously. One of the bombs exploded at the (?Kinder) Toys shop, and the other in one section of a Falabella store. At the time the mall was still open to the public. The building was therefore evacuated immediately.

In both cases the bombs caused only minor damage, and the fires that had been ignited were put out immediately.

Firemen and GOPE [Special Police Operations Group] personnel went to the mall and carefully inspected it, considering the possibility of the existence of another bomb. The GOPE personnel actually had to defuse a third bomb that had been installed at the Jumbo supermarket.

It was reported that the bombs had been set to explode at midnight, but their premature explosion allowed them to be quickly neutralized.

It was also reported that four men who managed to enter the area disguised as air conditioner technicians could be involved in the bombings.

Colombia

Rodriguez Orejuela Ready for Immediate Surrender

PA1712014393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Dec 93

[From the "24 Hours" newscast]

[Text] The surrender of the Cali Cartel is in earnest. At this time, Prosecutor General Gustavo de Greiff is meeting with the lawyers of alleged drug trafficker Gilberto Rodriguez Orejuela. Here is a report by Carlos Julio Betancourt:

[Begin Betancourt recording] Juan Fernando Carrasquilla and Bernardo Gonzalez, lawyers of alleged drug trafficker Gilberto Rodriguez Orejuela, met with Prosecutor General Gustavo de Greiff this afternoon to put the finishing touches on the process of submitting to justice. This newscast established that the attorneys said that Rodriguez Orejuela is willing to immediately surrender to the authorities if the Prosecutor General's Office permits him to be under house arrest, a measure contemplated in the new Penal Procedures Code.

This is the third time that Rodriguez Orejuela's lawyers have met with the prosecutor general to tell him that this would be the beginning of the surrender of 80 people charged with drug trafficking crimes. If Rodriguez Orejuela surrenders, he would be accused of aiding and abetting, conspiracy to commit a crime, drug trafficking, and illegal enrichment. [end recording]

Congress Passes Public Order Law

PA1612160293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 93

[From the "National Newscast"]

[Text] It took the Chamber of Representatives almost 12 hours to pass the eagerly awaited government bill on public order. At the last minute, when all the congressmen were tired, the government achieved total satisfaction with the approval of two new articles. One of the articles in question appoints defense attorneys for people who have none, as Justice Minister Andres Gonzalez explained:

[Begin Gonzalez recording] To prevent the absence of a defense attorney from delaying a trial. [end recording]

The other article pertains to the properties left by criminals when they die. If they are ill-gotten the state will seize them through legal means. Prosecutor General Gustavo de Greiff explained.

[Begin De Greiff recording] The death of a drug trafficker does not legitimize or cleanse his ill-gotten properties. [end recording]

Despite all the setbacks it encountered, the government in the end had a smile on its face.

De Grieff Dismayed at Failure To Claim Drug Fortunes

PA1712023293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Dec 93

[From the "24 Hours" newscast]

[Text] Prosecutor General Gustavo de Greiff has accused Congress of depriving decent society by not approving the article of the Public Order Law that allowed the government to keep the fortunes of Pablo Escobar Gaviria and Gonzalo Rodriguez Gacha. According to specialists, this proposal openly violated the constitution.

Prosecutor General Gustavo de Greiff's hopes of recovering the properties of dead drug traffickers for the benefit of the state vanished today. The idea was to obtain a fortune estimated at $10 billion from late drug traffickers Gonzalo Rodriguez Gacha, Pablo Escobar, and Colombia's richest man, Juan Camilo Zapata Vasquez, who was killed three weeks ago in Copacabana, Antioquia Department, and whose estate, according to authorities, is worth more than $5 billion.

The article in the Public Order Law that was promoted by the prosecutor general himself died today for lack of a quorum.

[Begin recording] [De Greiff] I think it is very sad and a contradiction to the decent Colombia in which we aspire to live.

[Unidentified reporter] Does this mean you think, as you said in the beginning, that the legislators are now indirectly becoming friends with drug traffickers?

[De Greiff] I do not know whether it is voluntary or involuntarily, but I rather think it is happening involuntarily.

[Reporter] Was Congress improper?

[De Greiff] No, I have no more opinions.

[Reporter] What will happen now, Mr. Prosecutor General?

[De Greiff] I have no further comments. Ask each person to analyze the affair in accordance to his conscience and his heart. [end recording]

Communique Explains Presence of U.S. Troops

PA1612224993 Paris AFP in Spanish 0404 GMT 16 Dec 93

[Text] Santa Fe de Bogota, 15 Dec (AFP)—The Colombian defense minister explained on Wednesday that the U.S. Army corps of engineers, that will build civilian infrastructures in the southwestern part of the country, is unarmed and will not participate in military activities.

An official communique states that the arrival of the military contingent, estimated at 150 men, is in response to a memorandum of understanding signed by the two governments last October and is based on the Mutual Defense Assistance Agreement signed in April 1952, which is currently in effect. The communique adds that the U.S. soldiers will build civilian installations with the support of the community in the area of Juanchaco, on the Pacific coast, Valle del Cauca Department, 550 km from Santa Fe de Bogota.

According to the Defense Ministry bulletin, the U.S. personnel will work on the construction of a school and a health center and will remain in the area mentioned above until the projects are finished, scheduled for February of next year, along with the Colombian Armed Forces, with whom they will repair some roads.

"It is worthwhile to note," the communique adds, "that the foreign experts will dedicate themselves exclusively to the duties mentioned above and that they will not be carrying war weapons or equipment to conduct military exercises."

The communique ends by stating that "at no time will they participate in military activities and their presence in our territory is provisional until the work is completed on 28 February 1994."

The arrival of the U.S. corps of engineers announced in a brief notice by the U.S. Embassy in Santa Fe de Bogota on Tuesday led to outrage and statements of rejection by numerous groups, especially congressmen, who describe it as foreign intervention and a violation of the country's sovereignty and constitution.

Search Bloc Commander Appointed New Police Director

PA1712043793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Dec 93

[From the "24 Hours" newscast]

[Text] After his outstanding work as director of the National Police, General Miguel Antonio Gomez Padilla was replaced by Gen. Octavio Vargas Silva, who is known as the commander of the Search Bloc that killed Pablo Escobar. Here is a report by Miriam Ortiz:

[Begin recording] [Ortiz] Gen. Octavio Vargas Silva entered the police with the dream of becoming its director. Today, 38 years later, his dream has come true. His most important challenge is restructuring and developing the police.

[Vargas] We hope the police will have a new attitude. That is what we seek right now.

[Ortiz] During his police career, Vargas rose to prominence as one of the great strategists of the struggle against organized crime, receiving 46 medals for his services.

[Vargas] The success of any policeman in the world lies in providing a sense of security.

[Ortiz] In 1989, as police operations director, he organized the action that led to the death of Gonzalo Rodriguez Gacha, and four years later, as chief of the Search Bloc, he ended Pablo Escobar Gaviria's life. The general is a native of Huila Department and likes guitar music. He says that although he has not lived in Garzon, his hometown, for a long time, he always tries to enjoy the St. Peter festivities. [end recording]

Ecuador

Labor Leader Rejects Government Economic Measures

PA1612172493 Quito Cadena Ecuador Radio in Spanish 2300 GMT 15 Dec 93

[From "The Reporter" newscast]

[Text] Winston [name indistinct] Becerra, president of CEQUIT [expansion unknown], has announced that the new package of government measures will prompt the organized labor force to launch new actions against it.

[Begin Becerra recording] [Words indistinct] launch new actions to strongly reject this package of economic measures because the government [words indistinct] seriousness facing labor groups in the country. The government, however, is trying to implement measures that will further deteriorate the situation workers face. That is why we would like to point out that the government must suspend its commitments with the international banks for the payment of foreign debt. [Words indistinct] entities in some other sectors that have said the government should at least suspend [words indistinct] until the now low petroleum prices improve and foreign debt payments can be resumed. Businessmen will pass onto Ecuadoran consumers and workers the imposition of an increase in the IVA [Value Added Tax].

On the other hand, the government wishes to implement a gasoline tax. A country such as Argentina, for instance, is reducing the price of gasoline despite the fact it is not a petroleum-producing country. Paradoxically, in a petroleum-producing country such as ours, the government is trying to impose higher taxes on gasoline. The government is also trying to eliminate subsidies for cooking gas. This again will affect the vast majority of the Ecuadoran people because we must remember that the government recently eliminated [words indistinct]. Many sectors of the Ecuadoran people cooked and prepared their food using the [words indistinct] they now try to increase considerably the price of cooking gas.

We hope that people will react firmly and decisively when we call labor unions [words indistinct] to reject strongly this package of economic measures the government hopes to implement to resolve its obligations with the international banks. [end recording]

Various Sectors React

PA1712032393

[Editorial Report] Quito Voz de los Andes in Spanish and Mexico City NOTIMEX on 16 December carry reports on reaction to President Sixto Duran-Ballen's announcement of economic measures to compensate for a drop in petroleum prices.

In its regularly scheduled "The Voz Andes" newscast, Quito Voz de los Andes in Spanish at 2300 GMT on 16 December broadcasts seven minutes of reports on reaction from various sectors. The station reports that according to analysts, the government's tax package "faces strong opposition in Congress, which might reject it or reform it." Another report states that "even the government deputies are not quite in agreement with the Executive Branch's measures to overcome the crisis caused by the drop in petroleum prices."

Alberto Cardenas, a deputy of the president's Republican Unity Party, states that it is very positive that fuel prices have not been increased, but that the government

must also make a sacrifice so the Ecuadoran people will feel it is doing its share. The station also reports that "in a news conference on 16 December, Central Bank Manager Luis Augusto De la Torre admitted the possibility that Congress could reject the government initiative, and, without giving details, said that in that case, other alternatives will be sought to obtain an increase in government revenues." The same report adds that "analysts agree that if the tax initiative is not approved or is modified, thereby reducing its effectiveness, the government might revive the option of increasing the prices of fuels and other staples and raising public utility rates."

The same newscast reports that "representatives of Popular Democracy say that the government's economic measures are catastrophic for the Ecuadoran people and will therefore be rejected in Congress." Ramiro Rivera of Popular Democracy states that the measures "complicate the tax system even more." Meanwhile, Javier Ledezma of the Republican Unity Party believes the measures are justified because of the drop in petroleum prices.

Mexico City NOTIMEX in Spanish at 2113 GMT on 16 December transmits a 325-word report indicating that Defense Minister Jose Gallardo on 16 December denied that the economic measures might have social consequences that would affect the country's democratic stability. It reports that he rejected rumors of alleged discontent in the Armed Forces' leadership, stating: "I do not know who spreads these rumors. I publicly state that the defense minister does not even remotely have coupist ideas." He added: "We have honest and absolutely serious Armed Forces, which have a great sense of patriotism." The defense minister is quoted as stating that the measures announced by the president "do not disrupt the country's social and democratic stability in the slightest."

Mexico City NOTIMEX in Spanish at 2325 GMT on 16 December transmits a 350-word report indicating that the government's proposed tax changes received the "unanimous rejection of diverse Ecuadoran sectors." It reports that "opposition deputies, who are a majority in Congress, described the tax law reform as exaggerated because of the tax increases and they threatened to block approval of the bill."

It states that Deputy Heinz Moeller of the majority Social Christian Party indicated that "the value-added tax cannot be increased one single percent because the people cannot take it anymore and they cannot pay one more cent in taxes." NOTIMEX adds that labor organizations also criticized the economic measures, indicating that the United Workers Front will decide the strategies it will carry out to reject the measures, which it described as "detrimental to the people because they will increase the cost of living." The news agency reports that the country's production chambers also attacked the economic measures. Kurt Freund, a spokesmen for businessmen meeting in Guayaquil, is quoted as stating that "the tax measures announced by the president will end up deteriorating the economy of the people and the productive sectors."

* Refinery Expansions To Increase Oil Production

94SM0116A Quito EL COMERCIO in Spanish 10 Nov 93 p A-10

[Article: "Refineries Will Be Expanded"—first paragraph is EL COMERCIO editorial introduction]

[Text] The Esmeraldas refinery will be able to process heavy crude oil. Benjamin Valle says that Ecuador's oil processing capacity will increase from 147,000 to 177,000 barrels of crude oil per day. That is, an additional 30,000 barrels per day will be able to be processed. The discoveries of heavy crude oil make it necessary to adapt the petroleum refineries to handle it.

The Ecuadorian Government, working through trade organizations, will increase the installed, refining capacity of the petroleum industry by 20 percent, through expansion of the Esmeraldas and Amazonas refineries and the rehabilitation of the La Libertad refinery.

At present the crude oil refining capacity amounts to 147,000 barrels per day. However, it is estimated that with the expansion of existing facilities it will be possible to process an additional 30,000 barrels per day. This would mean that the country will be able to process 177,000 barrels per day. This was stated by Benjamin Valle, manager of the Petroindustrial Company.

The official pointed out that with the signature of the contract between Petroindustrial and the Kellogg Pan American Corporation for the expansion of the Amazonas refinery that plant will increase its capacity for processing crude oil from 10,000 to 20,000 barrels per day, at a cost of $24 million.

Through primary distillation the Amazonas refinery produces enough gasoline and diesel fuel to meet the demand for those products in the Amazon area. Valle noted that any excess production will be transported to the Beaterio el Quito terminal.

Valle stated that the increase in petroleum activity in the eastern part of Ecuador created a need to raise the production of diesel fuel. That product is much used by petroleum companies which operate in the area to carry on crude oil exploration and production activities. The objectives of the project are as follows: to balance supply and demand for diesel fuel in the Amazon area and to make use of the infrastructure of the Shushufindi to Quito oil pipeline to move surplus production of gasoline and diesel fuel to points of consumption.

The manager of Petroindustrial explained that the work of expanding the Amazonas refinery will take place over a period of 16 months and that the refinery will be able to go into operation in March 1995.

The diesel fuel produced at the various refineries will go to meet the following proportions of local demand: from the Amazonas refinery, 33 percent; from the Maxus refinery, 41 percent; from the Occidental refinery, 13 percent; from the Petrobras refinery, three percent; from the ELF refinery, three percent; and from other companies, seven percent.

Benjamin Valle explained that the discovery of heavy crude oil in Ecuador made it necessary to make changes in the layout of domestic refineries to make it possible to process petroleum of another type.

He said that for this purpose a qualifying competition was held last week for companies interested in handling the work of expanding the Esmeraldas refinery. Among other advantages this will make it possible to make changes in the installations so that they can process heavy crude oil.

The official mentioned that the companies which qualify will be invited, during the second quarter of 1994, to take part in public bidding for the construction of the facilities involved. Technical studies for this work have already been carried out by the French Petroleum Institute [IFP].

The expansion plans to increase refinery capacity from 90,000 to 110,000 barrels of crude oil.

Regarding the rehabilitation of the La Libertad refinery, Benjamin reported that at present feasibility studies of the work to be done are going forward.

* Increase in Violence Tied to 'Economic Crisis'

94SM0116B Guayaquil EL UNIVERSO in Spanish 14 Nov 93 Section 2 p 1

[Article by Silvia Coello Q.: 'Violence Increases in Ecuador'—first paragraph is EL UNIVERSO editorial introduction]

[Text] The increase in violence in all of its forms has made us live in an atmosphere of pressure, fear, and insecurity. However, at the same time, as this situation is a direct consequence of the continuing social and economic crisis, society seems at times to have accustomed itself to violence and is more concerned with the consequences, rather than the causes. Situations of violence and crime increase cyclically. According to available statistics, we are in such a period.

Two antisocial criminals were shot down in the very center of Guayaquil, apparently victims of an act of retaliation carried out by underworld figures over what was felt to be an improper division of the "spoils."

"After six days of treatment medical personnel of the National Police succeeded in removing from the body of an Ecuadorian woman the 73 capsules of heroin which she had swallowed and which she was trying to take to the United States."

"Robbers carried off property estimated to be worth 50 million sucres which they took from a house located in the La Alborada area." The two previous reports are only part of the news which daily reflects the climate of alarming and violent acts which we are living through.

In August 1993 a news cable from the Spanish news agency EFE reported a study by the World Health Organization (WHO) in which it was pointed out that Ecuador, with a rate of 21.8 murders per 100,000 inhabitants was in second place among other countries in terms of the number of homicides committed.

This made Ecuador one of the most violent countries in the world and caused more alarm to our citizens as a result. In this respect representatives of the WHO in Ecuador have stated that the above statistics are not based on official reports. They also pointed out that many countries of the world are not included in the study—only 25 countries are covered. These statistics do not include all deaths, which makes it practically impossible to prepare a list by country.

Although some Latin American countries are included in the study, it does not cover Peru or Colombia which, due to the violence there—principally because of guerrilla activity and the narcotics traffic—are not comparable to the Ecuadorian situation.

Progressive Crisis

However, the present, violent situation in Ecuador, looked at in its own terms, reflects a worsening crisis. Based on police arrest statistics, 18.5 crimes against persons are committed daily (including murder, attempted murder, kidnapping, etc.) and 48.4 crimes against property. Some 10 years ago the average daily number of crimes against persons was 7.3 and 18.8 crimes against property. We mention these two types of crimes because they have increased considerably, compared to other offenses.

At the same time the number of persons arrested has increased by 68.54 percent over the past 10 years.

On a regional basis the percentage of persons arrested, as recorded by the Organization of Criminal Investigation (OID), reaches its highest point along the coast, with 50 percent of total arrests, followed by the mountains, with 47.27 percent, and Eastern Ecuador, with 1.86 percent. In Guayaquil alone the level of insecurity and fear for the ordinary citizen is reflected in the following statistics on the experience of daily living. An average of two major assaults takes place per week and 30 complaints of personal robbery per day. From five to eight automobiles are stolen every day.

Present Situation

This alarming picture, as the statistics demonstrate, has resulted in the extraordinary growth of certain kinds of common crime, such as the proliferation of organized crime, gang activity, the narcotics traffic, and attacks

against property and urban transport and in the streets. These incidents are the product of a continuing social crisis. Precisely because it is continuing, it has become a crisis, and violence has become a normal phenomenon in our society, which has concentrated its attention more on the consequences than on the causes.

In 1983 the economic crisis emerged clearly in our country, bringing with it a galloping decline in the level and quality of life for a large proportion of our people. It has expressed itself in the increase of poverty, unemployment, the high cost of living, violence, and crime. Although this has been a continuing crisis, it increases cyclically, and we find ourselves in one of those periods. Gaitan Villavicencio, a sociologist, says that a number of situations have arisen which have upset existing order and security. Villavicencio has made several studies of this matter, such as "Violencia urbana" [Urban Violence], for the Corporation on Regional Studies (CER).

Due to the direct relationship between the social and economic crisis and structural violence—which is a state or situation of violence—we cannot relate it only to common criminality. Rather, we are talking about a series of incidents which occurs and affects thousands of people, impacting on the conditions under which they live and which are the product of an unequal and discriminatory process of social development.

The Reverend Jose Gomez Izquierdo, pastor of the Church of Christ the Liberator who has worked for many years with the poor, has said: "What concerns me is that we have reached the point of thinking that violence is only homicidal violence. This leaves out violence as it is related to a situation, which is as deadly as the violence involved in murder. It has truly been said that it is possible to kill more people with hunger than with bullets."

He continued: "I believe that, basically, it is because of this kind of disorder that so many attacks and crimes take place."

Poverty and Crime

Manifestations of violence have not been alone in their unstoppable growth.

According to official statistics over the past decade, unemployment has increased from 8.1 percent in 1983 to 15 percent so far in 1993. Unemployment is more highly concentrated among younger people, which has led to the spread of juvenile gangs, with all of the consequences of attacks against people and of antisocial behavior.

Another element reflected in the growth of violent demonstrations involving crime is the decline in the quality of life. We can analyze these demonstrations on the basis of the principal causes of death at the national level over the last 10 years, as shown in the graph which appears below. In 1982 the homicide rate was 8.0 and was in 10th place among the 10 principal causes of death. In 1991 this rate was 12.2 and was in seventh place among the causes of death.

There is another factor which relates crime to existing poverty and misery. According to the first census of the prison population at the national level, carried out in 1993, the three most common crimes, as reflected in the number of inmates in prison, were: narcotics trafficking, 39.11 percent; crimes against property, 32.26 percent; and crimes against persons, 20.15 percent. According to the study by the CER referred to above, there is a close relationship between crime, poverty, and misery because, in the case of drug trafficking, the degenerative role of "semi-employment" is involved. This ensures a person a stable income level, generally high, for the specific tasks which the person performs.

Judicial and Penitentiary System

Apart from misery, which affects increasingly large groups of people, there are other causes of violence, such as sensationalism in news coverage and the way in which penitentiary and jail systems function, as well as the factor of repressing common crime, as pointed out in the study by the CER on "Urban Violence."

Regarding sensationalism in news coverage, it is noted that, although it is true that crimes and even accidents are news, and the citizens have the right to be informed, making excuses for crime—which some of the media do—is something else. There is also the increase in the number of violent films which serve as models for conduct and are then projected on social life.

The CER study points out that, with regard to criminal legislation, our Penal Code enumerates crimes and punishments. However, and most unfortunately, it classifies criminals, treating them disgracefully in the same way, although we know that treating criminals as individuals is a precept of our penal system. For their part the prisons, "which have taken the pompous name of 'Institutes of Social Rehabilitation,' cannot rehabilitate anyone and are, more properly, major crime schools. The citizen who passes through the doors into prison is lost to society, because he will leave there with greater resentment and a greater reason to commit crimes."

Prevention of Crime and Social Projects

The CER study also mentions that security sweeps and arbitrary arrests, although they may be a solution to small-scale urban violence, should more properly involve a whole range of preventive action. Regarding organized crime, it should be fought with police, judicial, and prison activity. The study adds that, although the effectiveness of police organizations has been high in terms of the arrest, processing, and punishment of certain crimes, which has given this kind of activity a certain validity, nonconventional criminality and other types of violence, such as structural, cultural, political, ideological, and ecological violence and so forth, are out

of the reach of the system for the punishment of common crimes, despite the inevitable social damage which they may cause.

In the view of Jose Gomez Izquierdo, security sweeps and operations carried out by police and other security forces are similar to a spiral of violence, "which goes on increasing, like a street fight which two people start and which eventually involves everyone. To the extent that this kind of disorder continues, I believe that this kind of structural violence inevitably is going to increase the level of criminal violence. It is not a matter of increasing the number of police or the use of aircraft or the Navy. That is not the solution as long as an atmosphere suitable for the growth of crime exists. It involves something broader—a political program."

Gaitan Villavicencio says: "Violence is a structural factor. To deal with it, other measures are needed which do not exactly involve police repression or criminal legislation. Social laws are needed."

As a part of a plan to guarantee peace and internal security, in August 1993 the government announced the establishment of the National Council of Public Security to reduce the levels of both crime and traffic accidents in the country by 25 percent. Another government project is to increase to 7,000 the number of police personnel and to improve the administration of justice in terms of efficiency and quality. It is hoped that we will reach this goal by 1996, but how this will be done has not been made clear.

Homicide Rate in Past Decade (per 100,000 persons)

1982	8.0
1983	(Not available)
1984	(Not available)
1985	8.7
1986	9.9
1987	10.1
1988	10.1
1989	10.9
1990	10.4
1991	11.1
1992	12.2

Note: These data were obtained from statistics on the 10 principal causes of death in Ecuador. There are no data for 1983 and 1984 because during those years homicide was not listed among the 10 primary causes of death. Source of Data: INEC [National Institute of Statistics and the Census]

Paraguay

Wasmosy 'Forces' Foreign Minister To Resign

PY1712025093 Asuncion RPC Television Network in Spanish 2250 GMT 16 Dec 93

[Text] The first dismissal in President Juan Carlos Wasmosy's cabinet has occurred, just four months after his installment. Foreign Minister Diogenes Martinez has been forced to tender his resignation at the request of the chief of state, for having disagreed with him about the negotiations on Annex A of the Itaipu Treaty, which was signed in 1986. Martinez apparently criticized the lack of time for the implementation of the terms of the document, thus opposing the instructions Wasmosy had given him.

As a result of a disagreement in handling the foreign policy regarding the Itaipu Treaty statute and its negotiation with Brazil, President Juan Carlos Wasmosy today asked Foreign Minister Diogenes Martinez to resign. The government released a communique on the current stage of the negotiations being held with Brazil over the 1986 statute. The communique mentions that the Paraguayan negotiators are Enzo Debernardi and Carlos A. Saldivar and fails to mention Diogenes Martinez. After meeting the president of the Republic, the resigning foreign minister said that he would not give up his personal principles and would defend the national interests above all other proposed conditions.

[Begin recording] [Martinez] I am a man who wants to build up the fatherland and, as a nationalist and patriotic politician, I will never put any other interest above the national interest. Therefore, my way of defending the national interests is intransigent and above all other proposed conditions. This is very clear.

[Unidentified reporter] Then from the very beginning, the negotiation of the Itaipu Treaty involved the possibility of your having to resign your position?

[Martinez] I do not want to discuss that. My principles, however, do not allow me to ever accept things that are against the national interests. [end recording]

The chief of state said that foreign policy trends are decided upon by the president of the Republic and that the Foreign Ministry only implements them.

[Begin Wasmosy recording] Foreign policy is handled by the president of the Republic through the Foreign Ministry. Therefore, today, I asked the foreign minister to tender his resignation because he did not follow my instructions about how to handle the foreign policy. It is understood that we will not mortgage a single square centimeter of Paraguayan land or yield a single millimeter with regard to what Paraguay wants. There are, however, several ways of handling foreign policy. It is my responsibility to define this policy and the Foreign Ministry is responsible for implementing it. [end recording]

Luis Maria Ramirez Boettner was appointed the new foreign minister. Ramirez Boettner, who until now had been Paraguayan ambassador in Brasilia, today met with Diogenes Martinez to analyze Annex A of the Itaipu Treaty.

Diogenes Martinez' reservations over the lack of clarity in the negotiation of the 1986 Annex A regarding the

enforcement period is considered one of the reasons why the Executive Branch requested his dismissal. By coincidence, the newly appointed foreign minister, Luis Maria Ramirez Boettner, today met the former foreign minister for more than one hour. At the end of the meeting, Ramirez Boettner, who until today had been the Paraguayan ambassador to Brazil, said that they had only discussed issues being handled by the Paraguayan Embassy in Brasilia and not the Annex A issue. Ramirez Boettner, however, was optimistic about the possibility of reaching an agreement with the Brazilian Government.

[Begin recording] [Ramirez Boettner] In all the discussions and dialogues we have ever held, the Brazilians have always been extremely open.

[Unidentified reporter] Thus, you see the possibility of a solution?

[Ramirez Boettner] Certainly, there has always been understanding between our countries and if we agree about what is basic, we will undoubtedly reach an accord about the formal aspects of the issue.

[Unidentified reporter] Several sectors of Paraguayan society believe that with regards to the 1986 Annex we are moving backwards, that we are going back to the past instead of advancing in the negotiations. What is your opinion?

[Ramirez Boettner] We are not going back to the past. We are seeking to make the situation legal and thus become able to continue discussing the details of what Annex A should be like. [end recording]

Currently, negotiations for the implementation of Annex A are paralyzed because the Paraguayan Foreign Ministry still has not received a concrete answer from the Brazilian Foreign Ministry about the terms of the agreement, which are still undefined. This indicates a hidden intention to extend these terms.

Congress Approves Broadcasting Law

PY1712141393 Asuncion NOTICIAS in Spanish
17 Dec 93 p 6

[New law for private radio and television stations]

Article 1

Private radio and television stations installed throughout the country enjoy the right to broadcast their programs on the frequency and with the transmitter power assigned to them by the pertinent administrative authority provided they are currently in use.

Article 2

While overall rules and regulations are not dictated, radio and television stations that are currently functioning may renew their licenses, with the present transmitter power, through a simple petition that will be granted without legal impediment. Denials may be contested in the courts.

Article 3

Current concessions will be maintained until the law pertaining to the sector is drafted and approved.

Article 4

Any direct or indirect action by the pertinent administrative authority to decrease the assigned and current transmitter power used by radio and television stations will be considered an attempt to close down [the station] in places within the national territory where radio and television signals cannot reach radio listeners and television viewers.

Article 5

Any imposition by the pertinent administrative authority that obligates the transmitting of signals by the radio and television stations are not valid, therefore said imposition is not obligatory unless there is a national emergency.

Article 6

The National Telecommunications Administration (Antelco), within its power will be responsible for compliance with this law.

Article 7

All other legal instruments contrary to this law are hereby abrogated.

Article 8

The Executive Branch will hereby be informed.

Chamber of Deputies Passes Law

PY1712134193 Asuncion ABC COLOR in Spanish
17 Dec 93 p 10

[Excerpts] It seems that the payment of political debts motivated the approval of a certain law. This conclusion can be deduced from the words expressed by Deputy Luis Gonzalez Macchi, who admitted that the RPC Television Network supported the Colorado Reconciliation Movement [a movement within the Colorado Party headed by Luis Maria Argana] in the party's internal elections. After a strenuous debate, which leaned more toward political than technical aspects, the Chamber of Deputies approved the [Colorado Party Senator Carlos]

"Romero Pereira" draft in four minutes, which establishes rules and regulations to guarantee the functioning of private radio and television stations. [passage omitted]

According to the law, radio and television stations that are currently broadcasting will be able to renew their licenses, until the overall rules and regulations are approved, with a simple petition that will be approved if there are no legal impediments. A denial can be contested before the courts.

Chamber of Deputies Approves Magistrates Council Law

PY1712142093 Asuncion ABC COLOR in Spanish 17 Dec 93 p 5

[Excerpt] Following the failure to reach a compromise on the draft of the Magistrates Council Law, the opposition coalition in the Chamber of Deputies on 16 December used its majority to approve the draft. It is now expected that the Executive Branch will veto the law which, thus, will be returned to Congress. The government deputies abandoned the session saying that the opposition did not want to discuss any changes. [passage omitted]

Curriculum Vitae of New Foreign Minister Revealed

PY1712131993 Asuncion ABC COLOR in Spanish 17 Dec 93 p 4

[Text] Luis Maria Ramirez Boettner, who was ambassador to Brazil until 16 December, has been named foreign minister by the Executive Branch. According to his curriculum vitae, Ramirez Boettner received his primary school education in Paris and Lima (Peru). He continued his studies at the University of Chile where he received his degree in philosophy and languages.

He obtained his degree as a lawyer in the National University of Asuncion and continued his studies at Harvard University, where he obtained his masters in law. He later obtained a doctorship in law at the University of Michigan.

The new foreign minister is a specialist in public international law, comparative jurisprudence, and jurisprudence pertaining to negotiable instruments. He is the author of several works of jurisprudence and lectures on these subjects.

Among the most important posts that Ramirez Boettner has held, the following can be mentioned: secretary to the [foreign] minister; director of protocol in 1941; secretary of the embassy in London in 1946, and later consul general; and in 1951 he was charge d'affaires in the United Kingdom. From 1951 to 1954, he was minister counselor at the Paraguayan Embassy in Washington and he was under secretary of the Foreign Ministry from 1954 to 1961.

Drug Enforcement Field Team 'Dismantled'

PY1512230593 Asuncion NOTICIAS in Spanish 11 Dec 93 p 9

[Text] The National Antidrug Secretariat (Senad) team, which has been in place since the days when General Marcial Samaniego was the Senad executive secretary, has been totally dismantled now that the last two field officers have been transferred. One of these officers is Lieutenant Ricardo Orella, who has been transferred to the office of the commander of military forces.

A high-level source in the office of the commander of military forces reported that this office has issued a general order transferring several officers. The list just happened to include officers working for Senad.

This means that the Senad team, which has been engaged in drug enforcement since the days of Gen. Samaniego, has been dismantled and a new team has to be assembled to fight this scourge which seems to be gaining ground in our society.

It should be recalled that Gen. Mario Rodolfo Escobar Anzoategui submitted his irrevocable resignation because he believed his best men in the fight against trafficking were being removed.

Asked about this issue, President Juan Carlos Wasmosy said he has not yet accepted Escobar Anzoategui's resignation. "Gen. Escobar Anzoategui has not yet been dismissed. I appointed Colonel Lugo [not further identified] yesterday. Gen. Escobar will stay until an agreement is reached about his retirement" said President Wasmosy yesterday. He clarified that he never asked Gen. Escobar to resign.

Asked about the candidates to replace Gen. Escobar, President Wasmosy did not want to give any names but told the media that there are three candidates to fill the position after Escobar retires from the Armed Forces.

According to military sources, the president will probably appoint the new Senad executive secretary next week.

Peru

State of Emergency Extended 60 Days in More Departments

PA1612170293 Hamburg DPA in Spanish 1521 GMT 16 Dec 93

[Text] Lima, 16 Dec (DPA)--Today the government decided to extend for 60 days the state of emergency in different Peruvian provinces to facilitate the implementation of operations against terrorist groups.

The measure covers localities in the Departments of Pasco, Junin, Huancavelica, and Ayacucho. According to the published decrees, some constitutional guarantees

have been suspended in the aforementioned areas and the Armed Forces have been tasked with maintaining public order.

Army Reports Refute 'Optimistic Remarks' on Upper Huallaga

PY1612210693 Lima CARETAS in Spanish 2 Dec 93 p 33

[Text] In a chat with journalists, who he had invited to visit him, General Nicolas Hermoza offered to clean out Shining Path in the Upper Huallaga by the beginning of 1994. This offer to resolve problems is a political one, typical of those always made during election campaigns, because Hermoza himself knows that it will be impossible to carry out his offer.

He must have knowledge of the "Intelligence Evaluation of Subversion" that was drafted in November by the Intelligence Department (G-2) of the Huallaga Front. After making a very complete description of the terrorist forces in the region, the report concludes that "the Popular Liberation Army [as published] has completed its process of reorganization and has made changes in the leadership."

The report adds that "the actions of Shining Path in the Upper Huallaga are directed at deploying its forces toward the northern area of San Martin Department, especially to areas where the illegal trafficking of drugs is at its highest, in order to obtain the economic backing that it needs to develop its narcoterrorist activities, occupy the areas that have been deserted by the MRTA [Tupac Amaru Revolutionary Movement] and thus obtain influence over the San Martin region."

Finally, the report predicts an increase in ambushes against patrols and convoys that use the Marginal Highway and in attacks against antisubversive bases, especially against the recently reinstalled police posts.

Shining Path's main unit is made up of 150 men divided into four companies, and the local forces have some 200 men grouped into four battalions that support the main force. Finally, there are the so-called grassroots forces, which are made up of the settlers of the "Popular Committees," whose areas of operations are called pockets.

Regarding drug trafficking, another intelligence report from the Huallaga Front indicates that there has been a 60 percent increase in the sowing of coca plants in the Lower Huallaga, High Mayo, and Middle Mayo areas, and that new clandestine air strips have been built in San Martin and Amazonas Departments.

It has also been reported that Colombian drug traffickers are distributing poppy seeds among the coca growers, who are beginning to change their crop. A 1 liter bottle of poppy resin is priced at $1,500.

In summing up these Army reports, indications are that the current situation in the Upper Huallaga differs a lot from the optimistic remarks made by Hermoza, who has confused his political campaign with the interests of the fight against subversion and drug trafficking.

Congress Approves 1994 Budget After Intensive Debate

PA1712042593 Lima Global de Television Network in Spanish 0100 GMT 15 Dec 93

[From the "Global TV News" newscast]

[Text] Following an intensive debate, today Congress approved the 1994 general budget, which was set at 16.153 billion new soles. The budget did not suffer any major modifications despite the opposition's protests.

The budget, approved by a majority of legislators, must now be promulgated and published in the official newspaper tomorrow in accordance with the deadline established in the 1979 Constitution, which is still in force. The Budget Law's macroeconomic estimates anticipate a 4.5 percent growth in GNP next year, a 25 percent estimated accrued annual inflation, and an average 2.63 soles exchange rate.

It has been reported that 1.044 billion soles have been earmarked to meet the salary policy, while 1.118 billion soles, equivalent to just 1 percent of GNP, have been allocated for social emergency programs. In addition, 383 million soles have been allocated for the countersubversive struggle.

While the government defended the project by describing it as centralist, fair, balanced, and of a social nature, the opposition criticized primarily the small amount of money allocated to tend to the paupers' needs.

[Begin recording] [Henry Pease] Very little money has been appropriated for social needs in an economy in full recession in a country where there is more and more hunger.

[Carlos Blanco] It can be seen that, for the first time in the past few years, a special chapter has been devoted to the basic social expenses program in the areas of health, education, and justice administration. [end recording]

Uruguay

Poll Reveals Government Popularity, Party Preference

PY1612004493

[Editorial Report] Montevideo EL PAIS in Spanish carries in its 5 December edition on pages 10 and 11 the results of a nationwide poll conducted by Cifra/Gonzalez, Raga and Company. The poll questioned 1,429 Uruguayan citizens throughout the country during the third week of November. The poll shows that 34 percent would currently vote for the Colorado Party, 22

percent for the Broad Front, 17 percent for the Blanco Party, and 4 percent for the New Sector Coalition; 23 percent refused to answer.

The poll also revealed that 15 percent approve of President Luis Alberto Lacalle's administration over the past 10 months and 62 percent disapprove of it. In March, 13 percent approved and 69 percent disapproved while on November 20 percent approved and only 51 percent disapproved. Lacalle's popularity varies according to the age of those polled. The poll showed that 8 percent of those between 17 and 21 years old, 19 percent of those between 22 and 26, and 30 percent of those over 60 approve of Lacalle's government.

As for Congress, the poll reveals that over the past 10 months 45 percent disapproved and 13 percent approved of its performance.

Regarding the candidates for the presidency, the poll reveals the following: For the Colorado Party, 78 percent support Julio Maria Sanguinetti and 10 percent Jorge Battle; for the Broad Front 62 percent prefer Tabare Vazquez followed by Danilo Astori with 25 percent; for the Blanco Party 23 percent support Juan Andres Ramirez and 22 percent support Carlos Julio Pereyra; for the New Sector Coalition Hugo Batalla continues to be the only candidate with 92 percent support.

In Montevideo, the Broad Front continues to be the favorite party with 29 percent support followed by the Colorado Party with 28 percent, the Blanco Party with 11 percent, and the New Sector Coalition with 5 percent.

In the interior of the country, however, four out of every 10 people prefer the Colorado Party to the Blanco Party. The Blanco Party is the second most important party in the interior with 22 percent support followed by the Broad Front with 16 percent and the New Sector Coalition with 3 percent.

Venezuela

Velasquez Pardons Officers Involved in 1992 Coup Attempts

PA1712000493 Paris AFP in Spanish 2110 GMT 16 Dec 93

[Text] Caracas, 16 Dec (AFP)— Fifteen military members and three civilians involved in the 1992 coup attempts in Venezuela were released this afternoon following President Ramon J. Velasquez' dismissal of the trial against them. The freed military members include three coup attempt leaders.

There were two military uprisings in Venezuela in 1992, one on 4 February and another on 27 November. Former social democratic President Carlos Andres Perez survived the two coup attempts but was eventually dismissed and replaced by Velasquez, who has been acting president since then.

According to military sources, three lieutenant colonels connected to the military uprisings of February and November 1992 were released this afternoon after receiving release vouchers from the court martial when the trials against them were dismissed.

The released lieutenant colonels are Army Lt. Cols. Joel Acosta, who on 4 February commanded the attack on La Carlota, Caracas' most important military base; Jesus Ortiz, his comrade in arms during the rebellion; and Air Force Lt. Col. Jose Jimenez, who was involved in the November coup attempt.

Among the 15 military members favored by the presidential decision are three who had sought asylum in Peru but who later returned to Caracas to face trial: Air Force Captain Luis Jattar, Sergeant Tony Arenas, and Air Force Technician Rigoberto Serrano.

The presidential pardon has relieved the men from the desertion charges, but according to military sources, they will be tried for military rebellion. The other released military men involved in the 4 February coup attempt are Lts. Diosdabo Cabello, Jose Calatayud, Luis Chacon, and Freddy Rodriguez; Sgt. Andres Reyna; and Capt. Luis Valderrama. Valderrama, who was one of the last rebels to surrender in Valencia, 80 km west of Caracas and at the time a rebel bulwark, is the only rebel officer confined in Yare Prison with [Lt. Col. Hugo] Chavez and Commander Francisco Arias Cardena—in the hot Del Tuy Valley—whose trial has been dismissed.

The other military members of the 27 November coup attempt who have benefited from the presidential measure are Air Force Lt. Col. Jose Jimenez and Majors Jesus Ibarra and Ricardo Arangua. The three released civilians are merchant marine members Rey Herrera, Oscar Burguillos, and Miguel Agostini.

Yesterday, Defense Minister Vice Admiral Radames Munoz announced that he delivered to President Velasquez a list of military men the military leadership was proposing as beneficiaries of trial dismissals.

Minister Munoz, who is the official spokesman of the Venezuelan Armed Forces, had previously said that none of the leaders of the uprisings would benefit from the presidential pardon, so the release of three officers whose rank made them leaders, although they were second in command on those decisionmaking occasions, was cause for surprise.

Three months ago Munoz strongly opposed the proposal that Cdr. Francisco Arias Cardenas be given amnesty from President Velasquez so Arias could become a deputy candidate for the pro-labor Radical Cause. On that occasion the military position won and Arias remains in prison with Cdr. Hugo Chavez, leader of the Revolutionary Bolivarian Movement, which had rejected any participation by its followers in the elections.

The leaders of the 27 November coup attempt are confined in another Caracas prison. Among them is Vice Admiral Gruber Odreman, whose mother died recently. President-elect Rafael Caldera attended the funeral "as a friend."

President-Elect Caldera on Oil Negotiations With U.S.

PA1612185693 Caracas Venezolana de Television Network in Spanish 2350 GMT 15 Dec 93

[From "The News" newscast]

[Text] Venezuelan President-elect Dr. Rafael Caldera says it is quite possible that the United States and Venezuela will reach a satisfactory agreement during the oil negotiations. In reference to this very important issue, the president-elect, who addressed the annual assembly of the Venezuelan-American Chamber of Industry and Commerce, said that anything can be accomplished with goodwill. On the very complicated issue of oil, he said, you will always find a variety of positions and points of view which demand intelligent negotiation and dialogue.

Caldera spoke of the possibility that the United States may impose a tax on Venezuelan oil because, apparently, it causes contamination. During the assembly, Chamber President (?Stephen Fellows) made important recommendations to the new president and pointed out that Venezuela plays a very important role in the U.S. negotiations.

Caldera stressed the importance of maintaining commercial and economic unity between Venezuela and the United States [words indistinct] meetings to improve coordination between the two nations.

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